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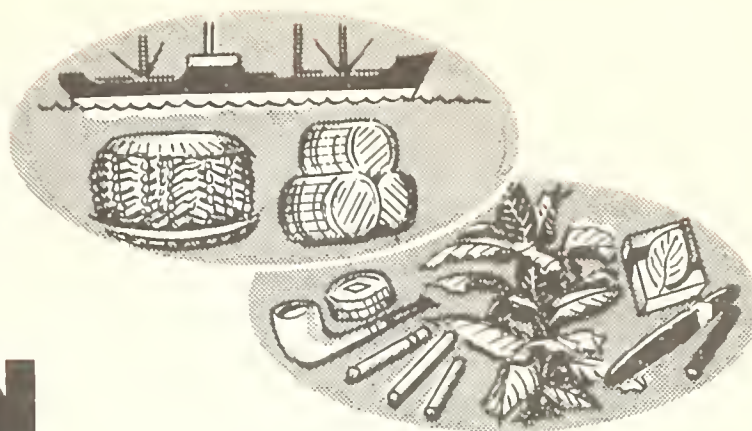
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TOBACCO SITUATION



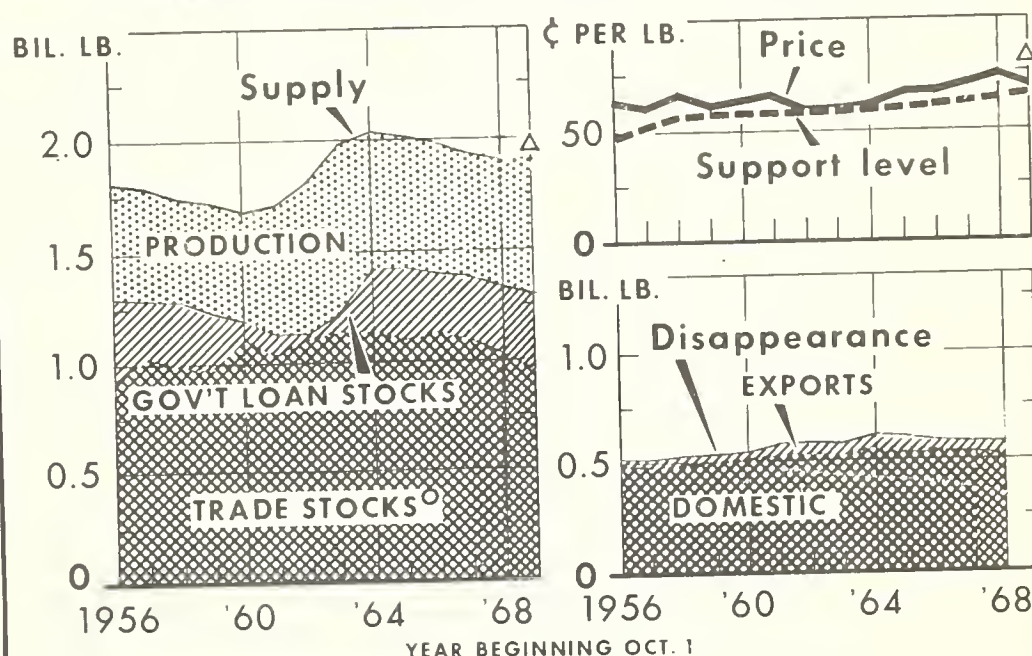
TS-130

DECEMBER 1969

By December 17, most of the 1969 burley crop had been sold for an average of 70 cents a pound, 4 cents below the record high of a year earlier.

The 1969/70 burley supply of 1,898 million pounds is fractionally above last year. Although privately owned stocks declined, Government loan stocks and production are larger. The 1969 crop of 582 million pounds is above the reduced disappearance of last marketing year. But some rebound is expected so carry-over stocks may change little.

BURLEY TOBACCO: SUPPLY, PRICE, USE



U. S. DEPARTMENT OF AGRICULTURE

NEG. ERS 381- 69 (12) ECONOMIC RESEARCH SERVICE

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Tobacco Products
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Leaf Supplies and Use

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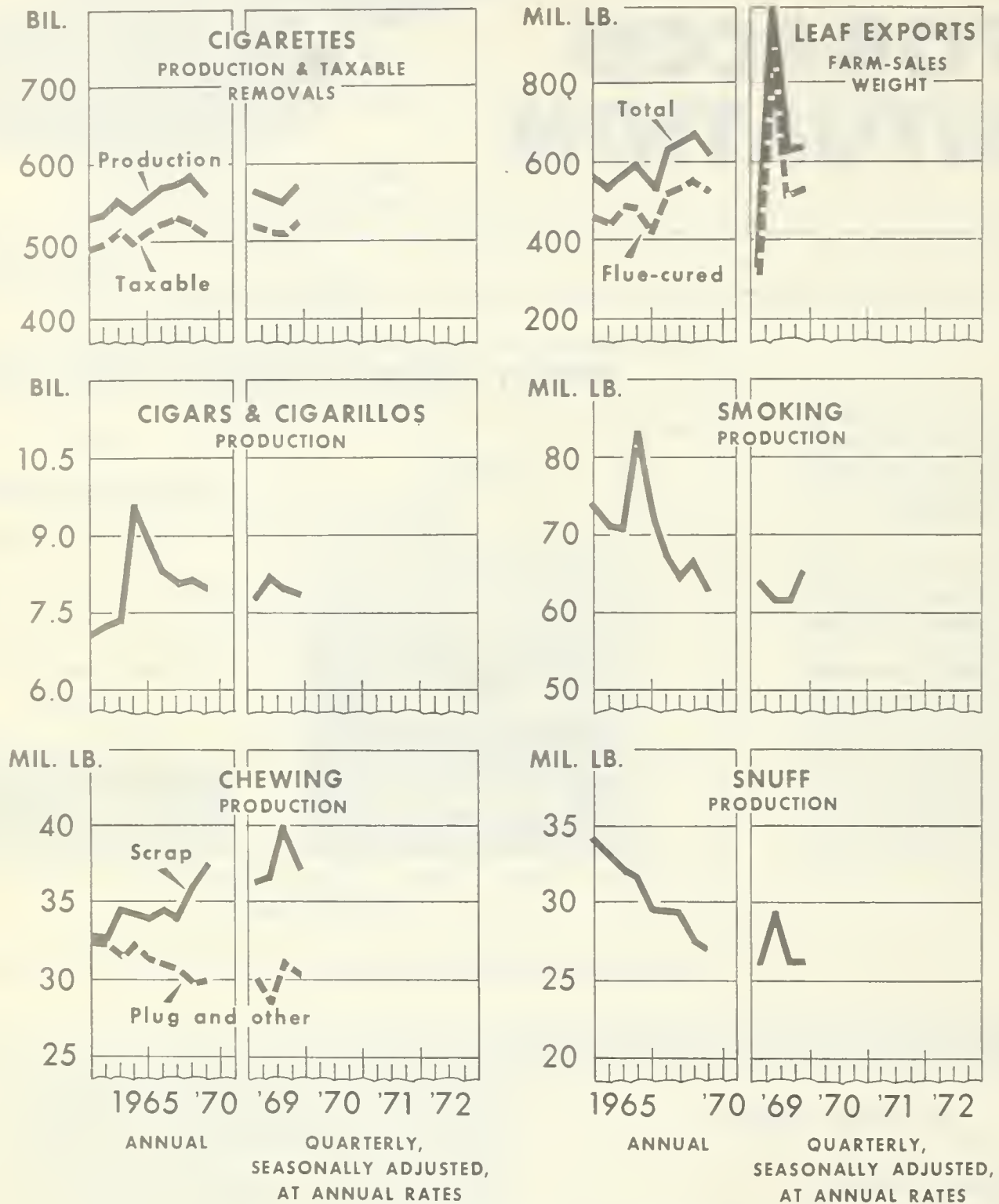
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U.S. DEPARTMENT OF AGRICULTURE

TOBACCO OUTLETS

Recent Trends in Manufactured Products and Exports



LAST QUARTER SHOWN ESTIMATED.

THE TOBACCO SITUATION

Approved by the Outlook and Situation Board, December 22, 1969

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SUMMARY*

With a larger tobacco crop this year, U.S. tobacco supplies continue ample, though 3 percent below last marketing year because of smaller carryovers. If total use comes close to last season's level, as expected, carryover stocks will be reduced further.

The crop is turning out 5 percent above last year's 11-year low but below that forecast earlier in the season. Excessive rain in the Georgia-Carolinas area lowered yields for the flue-cured crop. Favorable weather elsewhere helped to maintain output of burley and most other types.

Auction prices in recent weeks have been below the record levels of a year earlier and this pattern may continue the rest of the marketing season (the first half of 1970). Prices of non-auction tobaccos probably will be higher. Based on the formula required by law, 1970-crop price

support levels for eligible tobaccos will increase about 3-1/2 percent above 1969.

Domestic use this marketing year likely will total near last year's level, since output of cigarettes and other products may change little. Competition from large tobacco supplies available for other exporting countries probably will limit U.S. tobacco exports to around last season's total. So total disappearance probably will be close to the 2.0 billion pounds of last season. This would exceed the 1969 crop of 1.8 billion and the ending carryover at the close of the 1969/70 marketing year could decline around 0.2 billion pounds from the 3.8 billion at the start of the season.

U.S. cigarette output for calendar 1969 apparently totaled about 3 percent

* The Summary of this report, along with a table on supply and disappearance, was released on December 22, 1969.

below the 579 billion cigarettes produced in 1968. The cigarette price climb was no greater in 1969 than in 1968, but anti-smoking publicity has intensified. In the year ahead, further price rises, continuing smoking-health publicity, and slower economic growth are likely to forestall any growth in cigarette usage and could mean another downturn.

U.S. leaf exports during August-October were 165 million pounds, 11 million lower than a year earlier when anticipation of last winter's dock strike temporarily boosted tobacco outflow. In calendar 1969, U.S. exports of unmanufactured tobacco fell an estimated 8 percent below the 1968 long-time high of 599 million pounds (665 million pounds, farm-sale weight).

An export level of around 550-575 million pounds can probably be maintained in 1970. The high quality of recent flue-cured crops favors U.S. exports. Also, world cigarette production is still expanding rapidly and the demand for light tobaccos for blending--primarily flue-cured and burley--is on the upswing. But crops were large again this season in several developing countries that expanded output when the U.N. embargoed Rhodesian trade. Moreover, these competing areas offer leaf at prices much lower than the lowest quality U.S. leaf.

Despite gains from these competitive suppliers, the United Kingdom (the major U.S. tobacco outlet) may be taking more U.S. leaf in 1970 to rebuild its lowered stocks. West Germany's currency revaluation in late October reduced its exchange cost on imports, but takings of U.S. leaf are not likely to change much in the year ahead.

The 1969/70 flue-cured tobacco supply at 3,153 million pounds is 4 percent below last year. The decline reflects a 200 million pound drop in the carryover. The 1969 crop was 7 percent larger. Flue-cured growers' prices averaged 81/2 percent higher for the 1969 crop. About 9 percent of the crop was placed under loan, less than in the previous season. Carryover stocks in mid-1970 will probably be down around 150 million pounds from the 2,100 million a year earlier.

The 1970 national marketing quota for flue-cured is 5 percent below 1969. But the acreage-poundage program provides that 1969's undermarketings can be made up in 1970, so the effective quota is about 1.2 billion pounds. This is about the same as in 1969.

The supply of burley tobacco for 1969/70 is 1,898 million pounds, fractionally above last year. Carryover on October 1, 1969, was 8 million pounds below a year earlier. The 1969 burley crop, estimated at 582 million pounds, is up 3 percent. In the pre-holiday sales period, about 80 percent of the crop had been sold, for 70 cents per pound, 4 cents below last year's record price.

The current marketing year's supplies of fire-cured, Maryland, and cigar types are smaller than last season, while dark air-cured is about the same.

Marketing quotas and acreage allotments for burley, fire-cured, dark air-cured, sun-cured, and cigar tobaccos under support will be announced by February 1, 1970. Growers of fire-cured (types 21-23) and dark air-cured (types 35-36) will vote in referendums concerning quotas on their next 3 crops.

TOBACCO PRODUCTS

Fewer Cigarettes Produced

The slowdown in cigarette consumption means 1969 output is about 3 percent below 1968. This is the first year without expansion since 1964. Domestic consumption (taxable removals) takes about 91 percent of output, while tax-exempt removals for exports and shipments take the remainder. Domestic consumption may total 2 percent below the 1968 level while exports and shipments to overseas forces and possessions are declining 9 percent (table 1). In 1970 domestic consumption may be around the 1969 level or a little lower.

Domestic cigarette consumption was 388 billion during January-September 1969, 2-1/2 percent below a year earlier. Consumption in the third quarter slumped 5 percent when cigarette prices spurted ahead. Seasonal sales patterns suggest fourth quarter consumption may equal a year earlier.

During January-October, exports as well as shipments to Puerto Rico and U.S. possessions sagged. Smaller shipments to Spain, Netherlands Antilles, Kuwait, Paraguay, West Germany, Italy, and France offset gains for Hong Kong, Panama, and the Canary Islands (table 3).

Cigarette Price Surge Continues

In the face of higher State and local cigarette tax rates and general inflationary pressures, retail cigarette prices have been averaging 5 percent above those of a year ago. The consumer price index for all items is also up 5 percent.

The rise in retail cigarette prices intensified in July-October and prices probably gained a little more by year-end.

October prices for filter-tip, king-size cigarettes rose 5 percent above June to 151 percent of the March 1959 base. Some 19 States and the District of Columbia increased cigarette tax rates in 1969. This compared with gains for 8 States in 1968. By October the weighted average State cigarette tax was 10.1 cents per pack, up from 9.1 cents a year earlier.

Senate Curbs Cigarette Ads

On December 12, the U.S. Senate voted to prohibit cigarette advertising on radio and television after January 1, 1971. The Senate version of the House-passed bill extend the 1965 Cigarette Labeling and Advertising Act would require the package label to read: "Warning: Cigarette Smoking is Dangerous to Your Health." The Senate bill also allows the Federal Trade Commission to require the health warning in printed media after July 1, 1971, or sooner, if the FTC determines that cigarette manufacturers are substantially expanding advertising in newspapers, magazines, and billboards. The different Senate and House versions now go to a House-Senate conference.

Cigar Volume Steadies

Cigar consumption in the third quarter picked up from the first and second quarter rate; the 1969 total may be about equal to a year earlier (table

Table 1.--Cigarettes: Output, removals, and consumption, 1962-69

Year	Output	Taxable	Removals				Total	
			Total	Tax-exempt		Puerto Rico and U.S. possessions	Overseas forces 1/ 2/	U.S. consump- tion
1962	535.5	494.5	41.1	24.1	3.1	13.9	508.4	
1963	550.6	509.6	41.1	23.6	3.2	14.3	523.9	
1964	539.9	497.4	42.6	25.1	3.7	13.8	511.2	
1965	556.8	511.5	44.2	23.1	3.9	17.2	528.7	
1966	567.3	522.5	46.1	23.5	3.9	18.7	541.2	
1967	576.2	527.8	49.0	23.7	3.9	21.4	549.2	
1968 3/	579.5	523.0	53.8	26.5	4.7	22.6	545.6	
1969 4/	560.0	513.0	49.0	25.0	4.0	20.0	533.0	

1/ Also includes ship stores and small tax-exempt categories. 2/ Taxable removals plus overseas forces. 3/ Subject to revision. 4/ Estimated.

Compiled from reports of Internal Revenue Service and Bureau of the Census.

Table 2.--Cigars and smoking tobacco: Output, removals, and consumption, 1963-69

Year and item	United States factories			From			Total
	Output	Removals		Puerto Rico	Imports	Exports	U.S.
		Taxable	Tax-exempt	Rico taxable			consumption 1/
<u>Millions</u>							
Large cigars <u>2/</u>							
1963	6,716	6,621	144	526	24	33	7,282
1964	8,736	8,106	193	809	28	44	9,092
1965	7,899	7,577	180	911	25	55	8,638
1966	7,165	7,076	193	1,075	25	73	8,296
1967	6,857	6,845	197	1,099	30	76	8,095
1968 <u>3/</u>	7,183	6,759	168	1,036	48	66	7,945
1969 <u>4/</u>	6,900	6,800	160	1,000	45	60	7,945
<u>Million pounds</u>							
Smoking tobacco							
1963	70.4	68.0	2.2	---	1.6	.9	70.9
1964	82.4	79.0	3.4	---	2.7	1.4	83.7
1965	71.8	67.3	3.0	---	2.1	1.0	71.4
1966	67.3	65.3	1.5	---	3.3	.9	69.2
1967	64.8	62.7	2.0	---	3.7	1.3	67.1
1968 <u>3/</u>	66.3	64.1	1.9	---	5.5	1.8	69.7
1969 <u>4/</u>	63.0	62.0	1.5	---	5.5	1.5	67.5

1/ Total removals (or sales) from U.S. factories plus those from Puerto Rico, and imports, minus exports. 2/ Includes cigarillos. 3/ Subject to revision. 4/ Estimated.

Compiled from reports of the Internal Revenue Service, Bureau of the Census, and Consumer and Marketing Service, USDA.

2). U.S. smokers (including those overseas) smoked 5.9 billion cigars and cigarillos in January-September 1969, 2 percent below a year earlier. Output was about the same as use. U.S. production was down 6 percent from the 1968 period and shipments from Puerto Rico were also down. Total cigar and cigarillo consumption in 1970 is expected to be near that of 1969.

Details of taxable removals (domestic consumption) of cigars, by revenue class this year through September, show a gain for the higher-priced Class F and G and an above-average decline for the medium-priced Class E cigars:

<u>Revenue Class and retail price</u>	<u>Number Billion</u>	<u>Change from 1968 Pct.</u>
A-D (up to 8¢)	3.68	-1.4
E (over 8 to 15¢)	1.73	-3.3
F-G (over 15¢)	.38	+ .9
Total removals	5.79	-1.8

The 1969 taxable removals of small cigars (about cigarette-size and weighing not over 3 pounds per 1,000) may total nearly 50 percent over the 504 million in 1968. Even with this jump, 1969 consumption is still one-fourth below the unusually high 1964 figure.

Smoking Tobacco Sales Declining

Steady imports and falling sales by U.S. manufacturers are bringing 1969 smoking tobacco use 2 million pounds below 1968 to near 1967's long-time low. Prices moved up sharply in 1969 after relative stability in the previous 3 years. Smoking tobacco production in 1969 is

expected to total about 5 percent below 1968 (table 4). Further declines in output and sales may occur in 1970.

Domestic use--including imports--through September totaled 50.7 million pounds, 3 percent below a year earlier. Domestic use of tobacco is down in both pipe and roll-your-own categories.

Bulk Smoking Tobacco Exports Lower

A slowdown in exports of smoking tobacco in bulk means the 1969 total probably fell 2-3 million pounds below the record 21-1/2 million pounds in 1968. The 1968 total was boosted by shipments in anticipation of the winter dock strike.

For 1969 through October, exports of smoking tobacco in bulk were 15-1/2 million pounds compared with 17 million a year earlier. Increased exports in 1969 went to the Dominican Republic, Italy, and Switzerland; smaller amounts went to the Netherlands, Peru, and Spain.

Chewing Tobacco Output Gains

Scrap chewing tobacco output and sales made further gains in the third quarter. These gains raised the prospects for the 1969 chewing tobacco production total to top 1968's by 2 percent. The gain for scrap chewing tobacco is 5 percent as twist, and fine-cut groups are about the same (table 4). Snuff production in 1969 is estimated about the same as in 1968. Through September manufacturers' domestic sales were 4 percent below those a year earlier.

Table 3.--Cigarette exports from the United States to leading destinations, 1968, January-October, 1968-69

Country	1968	January-October	
		1968	1969 ^{1/}
		Millions	
Hong Kong	2,668	2,013	2,161
Spain	1,924	1,600	999
Kuwait	1,371	1,220	852
Netherlands Antilles	1,412	1,228	1,148
Paraguay	1,672	1,631	647
France	479	422	285
West Germany	724	555	393
Italy	694	630	565
Ecuador	374	289	255
Panama	1,033	796	960
Canary Island	481	352	482
Lebanon	647	505	425
Other countries	12,982	10,523	11,466
Total	26,461	21,764	20,638

^{1/} Subject to revision.

Compiled from publications and records of the Bureau of the Census.

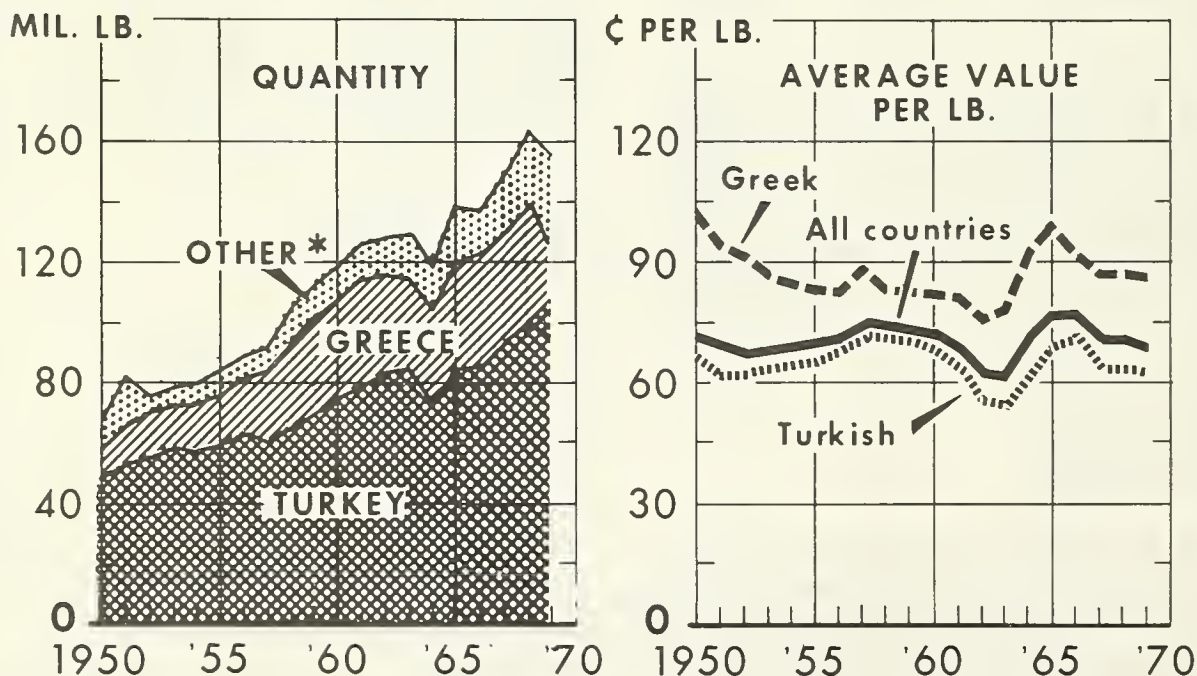
Table 4.--Tobacco products: Output, 1967-69

Item	1967	1968	1969 <u>1/</u>
	<u>Million pounds</u>		
Chewing tobacco			
Plug	23.7	22.9	22.7
Twist	2.6	2.6	2.5
Fine-cut	4.1	4.3	4.3
Scrap	34.0	35.7	37.5
Total	64.4	65.4	67.0
Snuff	29.3	27.1	27.0
Smoking tobacco in bulk (exports)	15.9	21.5	19.0
	<u>Million</u>		
Small cigars	434.2	523.3	750.0

^{1/} Estimated.

Basic data compiled from reports of the Internal Revenue Service and Consumer and Marketing Service, USDA.

U. S. IMPORTS OF CIGARETTE TOBACCO



IMPORTS FOR CONSUMPTION. * PRIOR TO 1952 PRINCIPALLY SYRIA, RUSSIA, AND BULGARIA.
 SINCE 1952 PRINCIPALLY YUGOSLAVIA, ITALY, CYPRUS AND SYRIA.
 1969 IMPORTS, ESTIMATED; 1969 AVERAGE VALUES BASED ON 9 MONTHS.

FOREIGN TRADE

U.S. EXPORTS AND IMPORTS

U.S. Leaf Tobacco Exports Trail 1968

Exports of unmanufactured tobacco have been running below 1968's 22-year high so the total for 1969 may fall 8 percent. The U.S. dock strike last winter held back U.S. exports early in 1969. Assuming the U.N. sanctions against Rhodesian tobacco continue, U.S. exports in 1970 could rise a little from the 1969 level.

U.S. leaf tobacco exports in January-October 1969 were 8 percent below a year earlier (table 5). A decline in exports of flue-cured--the principal export class--accounted for most of the decline. Fire-cured, dark air-cured, perique, Maryland, and cigar leaf, as well as the stems and trimmings category, were lower. Burley exports were higher; overseas burley production failed to show its usual increase in 1968.

Besides the U.N. sanctions against Rhodesia, U.S. exports benefit from the export payment program and the high quality of recent tobacco crops. However, larger supplies are available in some areas abroad, including several non-traditional tobacco producers that have expanded production since the ban on Rhodesian tobacco.

Cigarette Tobacco Imports Slow

The slower first half pace of U.S. tobacco imports for consumption (factory use of imports) continued in the second half of 1969. Most of the decline in

imports was in oriental type cigarette leaf and scrap used in cigarettes. Most of the decline reflected decreased takings from Turkey, Greece, and Yugoslavia. Gains in cigar tobacco imports during August, September, and October brought the 10-month total for these kinds ahead of the previous year's pace (table 7).

Factory use of imports could rise again in 1970 due to record foreign leaf stocks in the United States, and substantial supplies overseas, available at prices competitive with U.S. tobaccos.

January-October 1969 general imports of tobacco (total arrivals: direct entries, plus that placed in bonded warehouses to be withdrawn for factory use later) were near the comparatively high figure of a year earlier. Cigar filler tobacco gained with larger Philippine arrivals. Cigarette leaf tobacco (oriental) declined, though flue-cured and burley continued to gain. Scrap tobacco for cigars gained, but cigarette scrap from Turkey and other countries was down. Some of these arrivals are reprocessed and reexported. Reexports of all kinds of tobacco from the United States were 6 million pounds in January-October, an increase of 1 million.

Arrivals of flue-cured and burley gained further in 1969. About half of the 13 million pounds shipped in during January-October came from South Korea.

As a result of import gains, stocks of foreign-grown cigarette and smoking tobacco in the United States on October 1, 1969, were a new record for that date--423 million pounds (farm-sales weight), 5 percent above a year earlier.

Table 5.--United States exports of unmanufactured tobacco by types and to principal importing countries for specified periods

(Declared weight)							
Country and type	Average	1966	1967	1968	January-October		1969 as a percentage of 1968
	1961-65			<u>1/</u>	1968 <u>1/</u>	1969 <u>1/</u>	
	Million pounds						Percent
Flue-cured	385.6	422.6	427.4	443.5	340.1	314.9	93
Burley	43.9	45.7	45.3	42.8	35.1	39.2	112
Maryland	11.1	10.6	15.1	13.8	11.8	8.9	75
Fire- and sun-cured	24.8	23.4	26.3	25.5	22.0	19.1	87
Green River	.7	.5	.9	.5	.5	.4	80
One Sucker	.7	.6	1.0	1.0	.7	.3	43
Black Fat, etc.	4.0	3.5	4.1	2.5	2.2	.8	36
Cigar wrapper	4.6	4.5	3.7	4.6	4.0	2.0	50
Cigar binder	1.7	1.9	1.8	2.2	2.1	.6	29
Cigar filler	.4	1.9	.9	.6	.6	.5	83
Perique	.2	.4	.2	.2	.1	.1	100
Stems, trimmings, and scrap	13.9	35.6	44.9	61.6	44.6	38.5	86
Total	491.6	551.2	571.6	598.8	463.8	425.2	92
Country of destination							
United Kingdom	121.3	129.9	137.6	146.7	113.8	94.9	83
France	6.1	8.6	6.3	6.9	5.6	6.1	109
Belgium	17.4	17.5	17.5	20.1	15.6	14.8	95
Netherlands	31.6	28.8	40.5	44.0	36.3	27.0	74
West Germany	82.0	98.7	114.3	88.6	78.9	93.9	119
Portugal	6.4	3.8	5.5	4.6	4.5	5.5	122
Denmark	13.8	17.9	16.4	19.2	17.6	15.6	89
Ireland	14.3	13.5	14.3	15.0	10.6	9.2	87
Switzerland	13.3	16.9	21.4	24.8	21.4	19.6	92
Finland	7.5	4.7	5.9	5.5	4.5	4.6	102
Norway	7.3	9.3	8.4	9.7	9.0	5.4	60
Sweden	14.3	22.8	19.3	16.9	12.4	9.8	79
Italy	11.9	3.7	7.1	5.0	2.3	8.1	352
Spain	2.4	5.1	3.8	5.5	4.7	3.9	83
Thailand	10.7	17.7	23.2	28.9	22.4	18.9	84
S. Vietnam	6.7	12.4	12.9	10.4	10.1	9.5	94
Malaysia <u>2/</u>	5.9	7.3	9.6	10.9	8.3	8.1	98
Hong Kong	7.2	4.7	5.9	5.6	4.2	3.3	79
Japan	29.8	42.1	27.0	48.8	13.0	8.2	63
Australia	17.1	16.5	13.3	19.7	14.3	13.3	93
New Zealand	4.1	5.3	3.8	5.9	4.8	2.2	46
Egypt	12.6	12.0	1.4	.6	.6	1.9	317
Other countries	47.9	52.0	56.2	55.5	48.9	41.4	85
Total	491.6	551.2	571.6	598.8	463.8	425.2	92

1/ Preliminary.2/ Malaysia and Singapore.

Compiled from publications and records of the Bureau of the Census.

Table 6.--United States exports of unmanufactured tobacco by types, to principal importing countries, crop years, 1966/67-1968/69 1/

(Declared weight)											
Importing country	1966- 1967	1967- 1968	1968- 1969	Importing country	1966- 1967	1967- 1968	1968- 1969				
Million pounds				Thousand pounds							
Flue-cured, types 11-14 3/				One Sucker, type 35							
United Kingdom	119.1	120.9	96.6	Belgium	336	556	5				
West Germany	106.3	67.5	90.0	South Vietnam	173	0	526				
Japan	40.5	35.0	31.1	Tunisia	330	0	0				
Netherlands	22.0	27.1	24.0	Other countries	384	205	258				
Thailand	17.8	17.7	20.7	Total	1,223	761	789				
Australia	17.3	10.1	14.8								
Other countries	158.6	149.1	140.5								
Total	481.6	427.4	417.7								
Burley, type 31				Green River, type 36							
Sweden	3.4	4.0	2.4	United Kingdom	197	165	161				
Denmark	2.9	3.6	2.3	Australia	207	151	146				
Netherlands	3.0	2.1	2.6	Ghana	401	0	0				
Belgium	1.0	2.2	2.0	Other countries	66	167	176				
West Germany	12.1	10.1	13.0	Total	871	483	483				
Switzerland	2.6	2.5	4.1								
Portugal	2.0	3.3	2.1								
Thailand	4.5	4.2	3.1	Canada	438	282	384				
Philippine Republic	1.0	1.7	3.3	France	178	272	262				
Other countries	14.3	9.5	10.8	South Vietnam	619	0	115				
Total	46.8	43.2	45.7	Other countries	99	22	2				
				Total	1,334	576	763				
Maryland, type 32				Conn. Binder, types 51-52							
Belgium	1.1	1.4	.9	West Germany	264	466	182				
West Germany	1.6	2.3	2.8	Spain	716	1,225	0				
Switzerland	9.8	9.3	4.5	Canary Islands	128	142	64				
Portugal	1.6	1.1	1.2	Other countries	366	105	74				
Other countries	1.7	1.0	.5	Total	1,474	1,938	320				
Total	15.8	15.1	9.9								
Va. fire and sun-cured 21,37				Wis. Binder, types 54-55							
Sweden	.9	.4	.3	Netherlands	139	257	74				
Norway	2.3	2.9	1.4	West Germany	6	55	0				
United Kingdom	.5	.6	.5	Spain	0	0	189				
West Germany	.7	.9	.6	Canary Islands	0	0	50				
Other countries	1.9	.9	1.2	Other countries	80	31	39				
Total	6.3	5.7	4.0	Total	225	343	352				
Ky.-Tenn. fire-cured, 22-23				Cigar Wrapper, types 61-62							
Sweden	1.4	1.3	.8	Canada	603	606	456				
Netherlands	9.5	12.4	7.3	United Kingdom	848	879	424				
Belgium	1.8	1.4	1.5	West Germany	1,198	1,702	918				
France	1.9	1.5	3.3	South Vietnam	0	154	429				
Switzerland	1.3	1.9	1.2	Canary Islands	278	523	475				
Other countries	3.9	4.8	3.3	Other countries	847	541	753				
Total	19.8	23.3	17.4	Total	3,774	4,405	3,455				
Stems, Trimmings, and Scrap				Black Fat							
Sweden	4.0	4.0	1.1	Spanish Africa, n.e.c.	276	293	17				
Denmark	2.7	3.5	1.9	Cameroon	190	444	239				
United Kingdom	27.5	31.8	18.5	Ghana	685	83	0				
West Germany	1.1	3.6	3.0	Togo	500	500	43				
Other countries	9.0	13.5	28.9	Nigeria	1,417	528	178				
Total	44.3	56.4	53.4	Western Africa, n.e.c.	514	796	447				
				Other countries	267	402	240				
				Total	3,849	3,046	1,164				

1/ July-June crop year for flue-cured and cigar wrapper, and October-September crop year for all other types. 2/ Subject to revision. 3/ For further country detail see TS-129, September 1969, p. 24.

Compiled from publications and records of the Bureau of the Census.

U.S. Outlines Trade Plans

In his November trade policy message to Congress, the President recommended repeal of "American Selling Price" method of tariff valuation for certain chemicals and other products. If the United States repeals the American selling price valuation method, the United Kingdom would reduce by 25 percent the Commonwealth preference of 18-1/2 cents per pound on imported tobacco. The President also proposed revision of the "escape clause" and adjustment assistance sections of the 1962 Trade Expansion Act. Industries, firms, or workers under the proposed change would find it easier to obtain tariff or quota relief, or government financial aid. A commission on world trade is to be named to recommend U.S. trade policies for the 1970's.

In another proposal, the United States has recommended that import duties be eliminated on most products from less developed countries. This tariff-free entry plan has been submitted to the U.N. Conference on Trade and Development, but is conditional on other nations granting similar preferences.

FOREIGN MARKET DEVELOPMENTS

EEC Talks Continue

European Economic Community discussions in the closing months of 1969 have largely concerned the United Kingdom's application for membership and financing of the EEC's costly farm surpluses, in the wake of West Germany's currency revaluation. More discussions are to follow on farm financing, including the common agricultural policy for tobacco. Formal negotiations on Britain's entry to the EEC are expected to begin next summer. The 6 EEC coun-

tries have agreed to discourage surplus tobacco production in the Community.

U.K. Trade in 1969

For the first 9 months of 1969, United Kingdom took less U.S. tobacco and this decline accounted for the decrease in total takings. By September, the United States resumed its role as chief supplier of tobacco to the U.K. (table 8).

Gross clearances of tobacco from bond--an approximate measure of U.K. domestic use and exports--in January-September 1969 declined 2 percent from a year earlier. U.S. flue-cured made up about half of gross clearances, about the same as a year earlier.

Flue-cured and Oriental tobacco exports, major foreign exporters, 1967-69

Country	:	:	:	:
and	:	Period	: 1967	: 1968
type	:	:	:	: 1969
	:	<u>Million pounds</u>		
	:			
Flue-cured	:			
India	:	Jan.-July	61	71
Canada	:	Jan.-Aug.	37	39
	:			40
	:			
Oriental	:			
Greece	:	Jan.-June	84	60
Turkey	:	Jan.-Aug.	107	82
	:			104
	:			

Due to the decline in imports, U.K. manufacturers' leaf tobacco stocks at the end of September 1969 were 1 percent below last year, but above the low of 2 years earlier. Flue-cured stocks were 3 percent below a year ago. September stocks of U.S. tobacco represented 1.2 years' usings compared with 1.4 a year earlier. Flue-cured stocks gained in 1968 but fell back in 1969 when U.S. supplies were held down by the U.S. dock strike. Stocks from other countries are gaining to somewhat offset the decline in Rhodesian holdings.

Table 7.--U.S. imports of unmanufactured tobacco for consumption and general, principal categories, and countries of origin, 1968 and January-October 1968-69 1/

Classification and country of origin	Imports for consumption				General imports (arrivals)			
	January-October				January-October			
	Total 1968	1968	1969	1969 as a percentage of 1968	Total 1968	1968	1969	1969 as a percentage of 1968
	Million pounds	Million pounds	Million pounds	Percent	Million pounds	Million pounds	Million pounds	Percent
<u>Cigarette tobacco:</u>								
Leaf, unstemmed Oriental								
Turkey	98.1	83.0	80.5	97	118.9	82.5	73.6	89
Greece	41.4	37.0	24.9	67	39.4	37.7	25.9	69
Yugoslavia	16.0	13.8	12.6	91	14.0	14.0	17.2	123
Other countries	7.1	6.3	4.4	70	6.6	5.0	7.6	152
Flue-cured and burley	2.0	2.0	4.4	220	7.9	7.9	13.4	170
Sub total	164.7	142.1	126.8	89	186.8	147.1	137.6	94
<u>Scrap:</u>								
Turkey	6.6	5.1	6.7	131	11.8	7.6	5.5	72
Other countries <u>2/</u>	3.3	2.9	2.8	97	6.3	5.5	2.8	51
Total	174.5	150.2	136.3	91	204.9	160.2	145.9	91
<u>Cigar Tobacco:</u>								
Wrapper	.8	.6	.7	117	1.0	.8	1.1	138
Filler--stemmed and unstemmed								
Dominican Rep.	.8	.8	.7	88	9.9	9.8	5.4	55
Other countries	4.7	3.9	3.5	90	23.3	20.5	29.7	145
Sub total	5.6	4.6	4.2	91	33.2	30.3	35.1	116
<u>Scrap:</u>								
Philippine Rep.	19.1	16.2	19.1	118	20.1	15.5	17.4	112
Colombia	3.8	3.4	3.8	112	.1	<u>3/</u>	.5	---
Dominican Rep.	6.1	5.3	4.6	87	1.7	1.3	.6	46
Brazil	4.1	3.5	3.0	86	<u>3/</u>	<u>3/</u>	.2	---
Other countries	5.9	5.0	5.5	110	.7	.6	2.3	383
Sub total	39.0	33.4	35.9	107	22.6	17.5	20.9	119
Total	45.3	38.7	40.8	105	56.9	48.5	57.1	118
Stems	1.6	1.2	1.0	83	.9	.5	1.0	200
Grand total <u>4/</u>	221.5	190.1	178.1	94	262.6	209.3	204.1	98

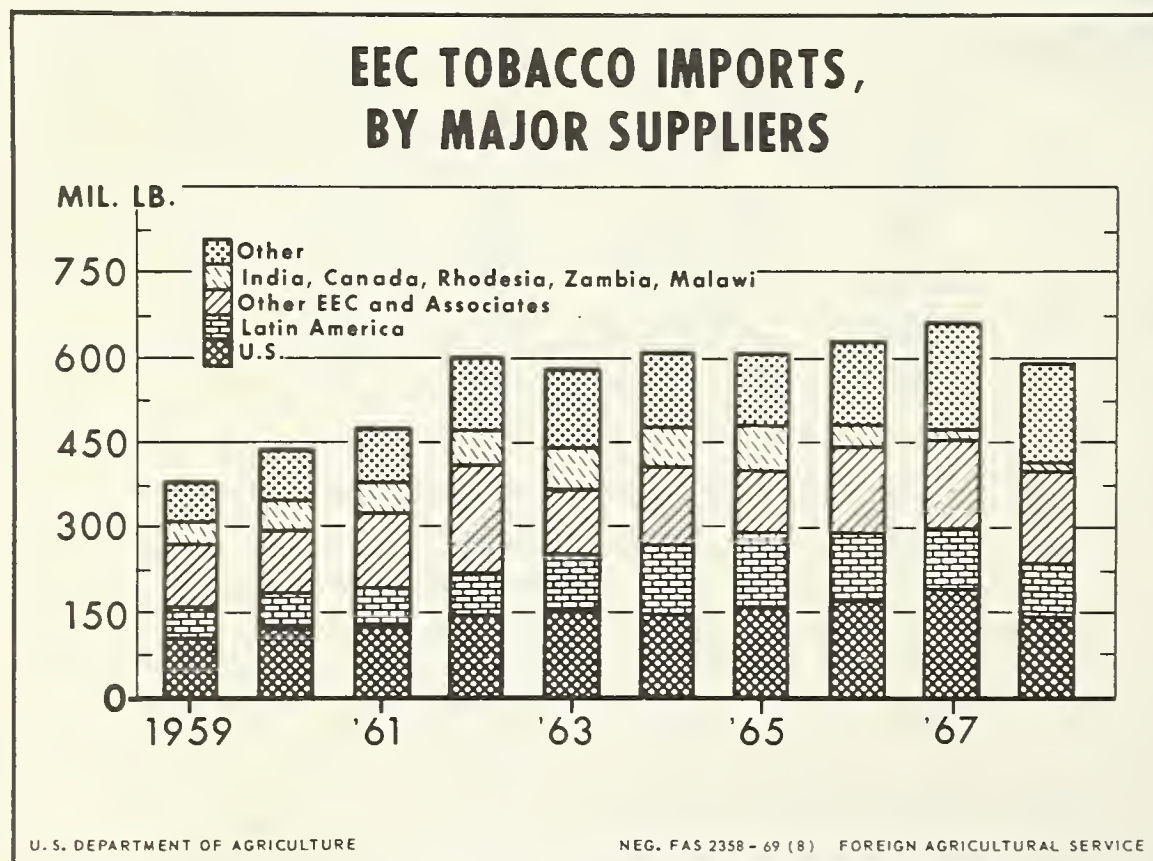
1/ Preliminary.2/ Canada, Greece, Cyprus, Lebanon, India, Korea.3/ Less than 50,000 pounds.4/ Detail may not add to total due to rounding.

Compiled from publications and records of the Bureau of the Census; declared weight.

Table 8.--United Kingdom tobacco: Imports, stocks, clearances, and exports, 1967-69

Item	January-September			Item	January-September		
	1967	1968	1969		1967	1968	1969
	<u>Mil. lb.</u>				<u>Mil. lb.</u>		
Imports, by source:				Gross clearances:			
United States	70	100	63	Full duty rate	110	124	123
Commonwealth	101	113	112	Commonwealth rate	119	107	103
Other	18	20	27	Total	229	231	226
Total	189	233	202				
Exports, manufactured:	29	33	36	Flue-cured:			
Re-exports, unmanufactured:	2	3	2	United States	100	109	107
Stocks, Sept., 30				Canada	36	34	33
Flue-cured	379	386	373	India	30	33	33
Total	418	430	424	Rhodesia	39	19	8
				Zambia and Malawi	4	7	8
				Other	7	12	20
				Total	216	214	209
				Net clearances:	180	178	172

Compiled from official United Kingdom sources.



TOBACCO LEAF SITUATION AND OUTLOOK 1/

1969 Crop Highlights

The U.S. tobacco crop now being sold is about 5 percent larger than last year's 11-year low. It is 3 percent below that forecast earlier in the season, since excessive rains in the Georgia-Carolinas area lowered yields for the flue-cured crop. Favorable weather in other sections helped to maintain output of burley and most other types.

Yield per acre averaged 1,958 pounds this season, compared with 1,943 pounds last season and the 1963-67 average of 1,989 pounds. Acres harvested totaled 920,640--5 percent above last year. Flue-cured tobacco accounted for most of this increase.

Smaller carryovers have reduced supplies available for the 1969/70 marketing year. Despite record flue-cured prices, the weaker burley market is bringing more tobacco under loan this season. Prices for the season will likely average 2-3 percent above the 1968/69 season's levels.

Farmers' cash receipts from tobacco in calendar 1969 are up--\$1.3 billion compared with \$1.2 billion in 1968--due to higher average farm prices and the larger volume of farm marketings. Most of the gain is due to the increased volume of flue-cured selling at record prices.

About the same volume of tobacco sales is likely in 1970. Due to the higher support level required by law, the average price may be a little higher.

QUOTAS, ALLOTMENTS, AND PRICE SUPPORT

1970 Marketing Quotas and Allotments

By February 1, 1970, USDA will announce the 1970 marketing quotas and acreage allotments for burley and certain other kinds of tobacco. Shortly after the announcement, growers of fire-cured (types 21-23) and dark air-cured (types 35-36) will vote on quotas and allotments for their next 3 crops. If at least two-thirds of the voters approve, marketing quotas will continue in effect.

For burley, Virginia sun-cured, cigar filler (Ohio) and binder types, farmers in previous referendums approved marketing quotas applicable to the 1970 crop. Government price support cannot be made available on any tobacco crop for which growers have disapproved marketing quotas.

Flue-cured growers had approved acreage-poundage quotas for 1968-70 crops in a 1967 referendum. The 1970 national quota for flue-cured is 5 percent below last year but individual grower quotas are adjusted for over or under-marketings in 1969.

1970 Price Support Levels

Price supports for eligible 1970 tobacco crops are expected to rise 3-1/2 percent above the 1969 price support level, or 19 percent above the 1959 base. This

1/ All quantities in this section are stated in farm-sales weight equivalent unless otherwise noted.

estimate is based on changes in the parity index through November 1969. As required by law, the 1970 price support adjustment will be based on the average of the parity index in 1967, 1968, and 1969 compared with 1959. The parity index measures change in prices paid by farmers, including interest, taxes, and wage rates. USDA is expected to announce support levels around March 1; as in past years, individual grade loan rates will be announced later.

FLUE - CURED

As a result of the smallest carry-over since 1962, the flue-cured supply for 1969/70 is 145 million pounds below last season. Export and domestic disappearance levels probably will be maintained so the carryover by next July 1 could fall some 7 percent to around 1,950 million pounds.

The production quota for 1970 prior to adjustments for undermarketings and overmarketings is 5 percent less than 1969. Since growers can make up a substantial part of their 1969 undermarketings, the 1970 crop could rise from the past season's outturn. Such a crop, added to carryover, would provide a supply next year a little below 1969/70.

Exports Lower in July-October

During July-October 1969, flue-cured exports (farm-sales weight) were about the same as a year earlier, but 14 percent above the level of 2 years earlier. For the 2 leading destinations, the United Kingdom increased takings, while West Germany took less.

Supplies from non-traditional exporters are still large but the quality of the 1969 U.S. flue-cured is up. So U.S. exports during the current marketing year

Country	July-October		
	1967	1968	1969
	<u>Million pounds</u>		
United Kingdom	47	45	51
West Germany	21	37	29
Japan	0	1/	5
Netherlands	9	10	7
Thailand	5	10	11
Belgium	4	4	4
Denmark	3	5	5
Ireland	3	4	4
Australia	1	5	7
South Vietnam	5	5	1
All others	40	31	33
Total*	138	156	157

*Based on unrounded data. 1/ Less than 50,000 pounds.

(July-June) may slightly exceed last season's level of 525 million pounds (farm-sales weight). Last winter's dock strike slowed exports and the 1968/69 season's total was 2 percent below a year earlier.

1969 Auction Prices Record High

The 1969 flue-cured crop sold at record high prices. Both sales volume and crop value gained considerably from 1968. Most grade averages were higher and overall quality was the best in several years. Government loan placements declined substantially in the 1969 season, and industry takings gained.

The 1969 flue-cured auction season ended December 3, although 95 percent of the crop had been sold by October 23. The season average price for gross sales (including resales) was 72.2 cents per pound--up 5.7 cents from last year's average, and 5.3 cents above the 1966 record. Average gains over 1968 ranged from 4.9 to 7.3 cents in individual Belts (table 9).

Table 9.--Flue-cured tobacco: Gross sales (including resales)
and average price per pound by Belt, 1950-69

Marketing season	Old Belt type 11 (a)	Middle Belt type 11 (b)	Eastern N.C. Belt type 12	N.C. Border and S.C. Belt type 13	Ga.-Fla. Belt type 14	All Belts
<u>Million pounds</u>						
Average:						
1950-54	299	167	493	330	179	1,468
1955-59	276	149	430	300	162	1,317
1960	262	170	444	311	183	1,370
1961	272	162	414	325	192	1,364
1962	311	185	426	381	205	1,508
1963	296	178	448	344	198	1,463
1964	334	189	439	338	175	1,475
1965	242	117	314	307	172	1,152
1966	274	155	349	245	173	1,194
1967	260	152	359	322	224	1,317
1968	202	110	295	268	164	1,039
1969 <u>1/</u>	235	116	321	266	157	1,095
<u>Average price per pound</u>						
<u>Cents</u>						
Average:						
1950-54	49.3	51.7	54.8	53.4	48.2	52.3
1955-59	53.3	54.2	54.6	57.5	53.1	54.7
1960	58.5	60.9	60.7	61.4	56.4	59.9
1961	62.9	64.5	64.9	65.4	58.9	63.7
1962	60.3	60.4	59.4	61.0	56.5	59.7
1963	55.2	57.0	58.2	59.9	56.9	57.7
1964	59.0	58.7	56.3	59.2	58.6	58.1
1965	64.7	63.0	63.0	65.3	66.0	64.4
1966	62.3	64.1	68.3	68.8	69.9	66.7
1967	61.9	62.7	64.7	65.0	65.6	64.1
1968	64.8	64.0	67.5	66.8	68.3	66.5
1969 <u>1/</u>	71.3	71.4	72.3	72.6	73.3	72.2

1/ Preliminary.

Table 10.--Flue-cured tobacco: Receipts under government loan and percentage of net sales by Belt, 1950-69

Marketing season	Old Belt type 11 (a)	Middle Belt type 11 (b)	Eastern N.C. Belt type 12	N.C. Border and S.C. Belt type 13	Ga.-Fla. Belt type 14	All Belts
<u>Million pounds</u>						
Average:						
1950-54	55.8	17.2	31.2	20.6	8.5	133.3
1955-59	44.5	22.9	66.4	41.5	10.0	185.3
1960	16.2	5.3	19.0	8.9	2.3	51.8
1961	17.4	6.2	31.3	8.2	7.2	70.3
1962	93.8	35.1	65.9	37.5	4.9	237.2
1963	128.8	38.5	63.0	41.4	5.5	277.2
1964	71.3	39.0	125.6	46.7	3.0	285.6
1965	21.2	9.6	19.4	18.9	2.4	71.5
1966	49.2	15.1	7.4	2.5	.4	74.6
1967	84.5	49.7	79.8	57.2	11.0	282.1
1968	36.0	26.9	24.3	29.5	12.0	128.8
1969 <u>1/</u>	24.2	14.9	37.3	13.3	8.0	97.6
<u>Percentage of net sales</u>						
<u>Percent</u>						
Average:						
1950-54	21.0	11.7	6.9	7.0	5.2	10.0
1955-59	17.8	16.0	14.9	14.1	5.7	14.5
1960	6.8	3.4	4.6	3.2	1.4	4.2
1961	7.1	4.2	8.1	2.8	4.1	5.6
1962	32.2	20.4	16.5	10.8	2.6	16.9
1963	45.8	23.3	14.9	13.2	3.0	20.3
1964	22.7	22.0	29.9	15.1	1.9	20.7
1965	9.5	8.9	6.6	6.8	1.5	6.8
1966	19.3	10.5	2.2	1.1	.3	6.8
1967	34.1	34.2	23.0	19.0	5.3	22.6
1968	18.8	25.3	8.5	11.5	7.8	12.9
1969 <u>1/</u>	10.7	4.7	7.7	11.9	10.4	9.3

1/ Preliminary.

Producers' sales (allowing for re-sales and duplicate sales) totaled about 1,052 million pounds--approximately 56 million more than in 1968, which had the smallest crop in the 5 years of acreage-poundage quotas. Many growers increased acreage in 1969 because they undermarketed in 1968. But rains in the Georgia-Carolinas area lowered yields.

The crop consisted of a larger proportion of smoking leaf and was riper and thinner with better color than last season. Variegated and nondescript grades were down sharply.

Growers placed 98 million pounds of flue-cured tobacco under Government loan this season, or 9 percent of sales (table 10). Both the volume and proportion are below the 2 previous seasons but loan placements were above the lows of 1965 and 1966. Unsold loan stocks of flue-cured tobacco have been below year-earlier levels for most of 1969. At the beginning of 1970 loan holdings are estimated 2 percent below the 780 million pounds of a year earlier.

Marketing Conditions Again Favorable

With USDA's price support of untied (loose leaf) tobacco covering the entire

sales period in types 11-13 markets (Virginia-Carolinas), virtually all tobacco was again sold in looseleaf form (table 11). Type 14 (Georgia-Florida) markets have traditionally sold tobacco in loose leaf form. As in the previous 4 years, support price for tied tobacco in 1969 was 3 cents per pound more than the same grade of untied tobacco.

Again this season the voluntary Flue-cured Tobacco Marketing Committee geared marketings reasonably well to processing capacities of redrying plants. Such developments as standardized pre-sheeting, booking of warehouse space and new conveyer systems helped in orderly marketing, so long waiting periods at warehouses were eliminated.

Table 11.--Flue-cured tobacco marketing:
Quantities and prices tied,
types 11-14, 1968-69
marketing seasons

Auction: period	Gross Sales			
	Tied	Percent-: age : of gross: sales :		Average: price : per pound :
		Price above United		
		Mil. lb.	Pct.	Ct.
1968				
13	0.3	0.1	55.8	-11.0
12	2.1	.7	81.4	13.9
11b	.3	.3	60.0	-4.1
11a	9.6	5.0	73.1	8.3
11-13	12.3	1.4	73.8	7.6
14	---	---	---	---
Total				
11-14	12.3	1.2	73.8	7.3
1969				
13	*	---	72.3	-.3
12	.3	.1	112.6	40.3
11b	*	---	73.8	2.4
11a	3.1	1.3	87.9	16.6
11-13	3.4	.4	90.0	18.0
14	---	---	---	---
Total				
11-14	3.4	.3	90.0	17.8

* Less than 50,000 pounds.

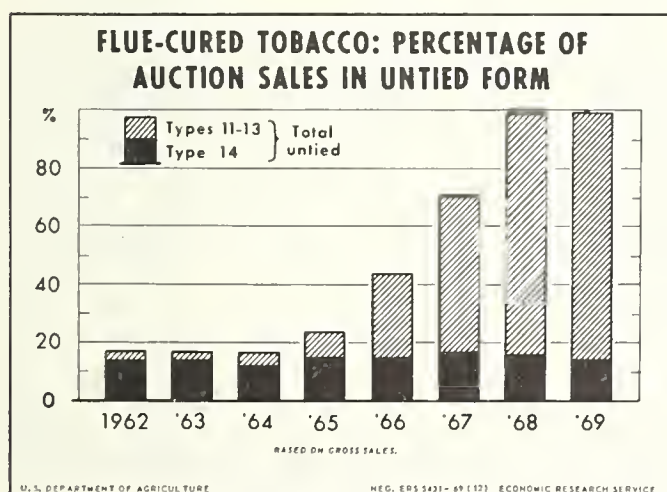


Table 12.--Flue-cured tobacco, types 11-14: Domestic supplies, disappearance, season average price, and price support operations for specified periods

(Farm-sales weight)						
Year	Production	Stocks, July 1	Supply	Disappearance ^{1/}		
				Total	Domestic	Exports
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1955	1,483	2,056	3,539	1,281	728	553
1956	1,423	2,258	3,681	1,170	705	465
1957	975	2,511	3,486	1,178	737	441
1958	1,081	2,308	3,389	1,179	736	443
1959	1,081	2,210	3,291	1,185	766	419
1960	1,251	2,106	3,357	1,267	792	475
1961	1,258	2,090	3,348	1,267	782	485
1962	1,408	2,081	3,489	1,208	777	431
1963	1,371	2,282	3,653	1,267	769	498
1964	1,388	2,386	3,774	1,219	775	444
1965	1,059	2,555	3,614	1,175	752	423
1966	1,108	2,439	3,547	1,274	687	587
1967	^{2/} 1,250	2,273	3,523	1,221	688	533
1968	^{2/} 996	2,302	3,298	1,198	673	525
1969 ^{3/}	1,053	2,100	3,153			
	Average price per pound	Price support level ^{4/}	Placed under Government loan		Remaining in Government loan stocks on November 30, 1969	
			Quantity	Percentage of crop	^{5/}	
	Ct.	Ct.	Mil. lb.	Pct.	Mil.	lb.
1955	52.7	48.3	298.9	20.2	0	
1956	51.5	48.9	319.9	22.5	0	
1957	55.4	50.8	107.8	11.1	0	
1958	58.2	54.6	144.8	13.4	0	
1959	58.3	55.5	55.3	5.1	0	
1960	60.4	55.5	51.8	4.1	0	
1961	64.3	55.5	70.3	5.6	0	
1962	60.1	56.1	237.2	16.8	0	
1963	58.0	56.6	277.2	20.2	108.7	
1964	58.5	57.2	285.6	20.7	117.8	
1965	64.6	57.7	71.5	6.8	35.2	
1966	66.9	58.8	74.6	6.8	58.9	
1967	64.2	59.9	282.1	22.6	231.3	
1968	66.6	61.6	128.8	12.9	119.5	
1969	^{3/} 72.2	63.8	*97.6	*9.3	*97.6	
Total	---	---	*2,503.4	---	*769.0	

^{1/} Year beginning July 1.^{2/} Sales.^{3/} Subject to revision.^{4/} Through 1959--90 percent of parity price; 1960 set at 1959 level; from 1961 on, adjusted to reflect relative change between 1959 parity index and average of parity index for 3 most recent calendar years.^{5/} As reported by Flue-cured Tobacco Cooperative Stabilization Corp.; the unstemmed loan stocks on the packed-weight basis average about 11 percent less than their farm-sales weight figures.

* Includes quantities received from marketings through December 3, when season ended.

**Flue-cured tobacco: Percent sold
untied, 1965-69**

Year	Markets	
	Types 11-13	Types 11-14
	Percent	
1965	10.2	23.6
1966	34.2	43.7
1967	66.6	72.3
1968	98.6	98.8
1969	99.6	99.7

Supplies Lower in 1969/70

Due to the smaller 1969 carry-over stocks the flue-cured supply of 3,153 million pounds is 145 million below last year and 14 percent below the 1964/65 record high. The mid-1969 carryover was 9 percent below a year earlier, but the 1969 crop was 7 percent above the 11-year low in 1968 (table 12). Harvested acreage in 1969 increased 8 percent above 1968, but the average yield per acre dropped 1 percent.

Last season's disappearance may be matched this season. This would bring July 1 carryover down some 7 percent from last July's level.

1970 Quota Reduced

On December 1, USDA announced a 1970 flue-cured quota of 1,071 million pounds, a national average yield goal of 1,854 pounds per acre, and a national acreage allotment of 577,670 acres. The quota is 5 percent below that of the past 5 years. Acreage allotments and poundage quotas for individual farms will reflect 1969 undermarketings and overmarketings and other required adjustments. This past season undermarketings exceeded overmarketings by about 135 million pounds.

The base quota plus net undermarketings gives an effective quota of about 1,206 million pounds, 1 percent above 1969. But some tobacco base is idled under the land retirement program and growers indicate problems of labor availability for harvest operations, so the entire allotment probably will not be planted.

A grower can market and receive price support on any overmarketings up to 10 percent of quota, but this would reduce his 1971 quota by an equivalent amount. Flue-cured marketings totaled less than quota in 4 of the 5 seasons under the acreage-poundage program. The average undermarketing was 5 percent of the effective quota.

Production in 1970 could run 5-10 percent above the 1.05 billion pounds in 1969. Such a crop added to prospective carryover would provide a 1970/71 supply a little under this year's.

BURLEY

Auction Prices Dip

Auction sales of the 1969 burley crop began November 24. By December 17, when markets closed for the holidays until January 8, gross sales totaled 484 million pounds and averaged 69.7 cents a pound, 4.4 cents below last year's record. Approximately 80 percent of the 1969 crop had been sold through December 17. In 1968, 79 percent of the crop sold in the pre-Christmas sales.

Most grade prices are lower than a year ago. Better grades are selling at support levels and are unchanged from last year but some lower quality grades have been 11 cents a pound lower. General quality of the crop is reported to be lower than last year's excellent crop.

Table 13.--Burley tobacco, type 31: Domestic supplies, disappearance, season average price, and price support operations for specified periods

(Farm-sales weight)						
Year	Production	Stocks, October 1	Supply	Disappearance <u>1/</u>		
				Total	Domestic	Exports
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1955	470	1,347	1,817	518	484	34
1956	506	1,299	1,805	510	482	28
1957	488	1,295	1,783	506	478	28
1958	465	1,277	1,742	518	483	35
1959	502	1,224	1,726	535	499	36
1960	485	1,191	1,676	549	508	41
1961	580	1,127	1,707	570	525	45
1962	675	1,137	1,812	584	531	53
1963	755	1,228	1,983	571	514	57
1964	620	1,412	2,032	616	560	56
1965	586	1,416	2,002	607	550	57
1966	587	1,395	1,982	600	544	56
1967	541	1,382	1,923	599	546	53
1968	563	1,324	1,887	571	516	55
1969 <u>2/</u>	582	1,316	1,893			
	Average price per pound	Price support level <u>3/</u>	Placed under Government loan		Remaining in Government loan stocks on November 30, 1969	
			Quantity	Percentage of crop	<u>4/</u>	
	Ct.	Ct.	Mil. lb.	Pct.	Mil. lb.	
1955	58.6	46.2	73.1	15.6	0	
1956	63.6	48.1	6.0	1.2	0	
1957	60.3	51.7	16.6	3.4	0	
1958	66.1	55.4	11.2	2.4	0	
1959	60.6	57.2	13.2	2.6	0	
1960	64.3	57.2	8.4	1.7	0	
1961	66.5	57.2	10.3	1.8	0	
1962	58.6	57.8	63.5	9.4	6.7	
1963	59.2	58.3	202.3	26.8	63.2	
1964	60.3	58.9	110.4	17.8	60.4	
1965	67.0	59.5	42.2	7.2	37.0	
1966	66.9	60.6	62.5	10.6	53.1	
1967	71.8	61.8	64.2	11.9	62.0	
1968	73.7	63.5	56.2	10.0	56.3	
1969	*69.7	65.8	<u>5/</u>	<u>5/</u>	<u>5/</u>	
Total	---	---	740.1	---	6/338.6	

1/ Year beginning October 1.2/ Subject to revision.3/ Through 1959--90 percent of parity price; 1960 set at 1959 level; from 1961 on, adjusted to reflect relative change between 1959 parity index and average of parity index for 3 most recent calendar years.4/ Actual loan stocks on a packed-weight basis average about 11 percent less than these farm-sales weight figures.5/ Through December 17 about 119 million pounds 26 percent of deliveries, went under loan.6/ About 22 million pounds of these holdings have been sold.

*Auction average through December 17.

The average price support level for 1969 burley is 65.8 cents a pound. All grade loan rates are up from the 1968 crop with increases of 1 cent per pound for most lugs, cutters, and flyings, 3 cents per pound for the leaf and tip group, and 4 cents per pound for mixed and nondescript. Through December 17, 131 million pounds, or about 28 percent of market deliveries, had been placed under Government loan. In the 1968 season, 10 percent of the crop went under loan.

1968/69 Supplies Remain Large Loan Holdings Up

This season's burley supply of 1,898 million pounds is fractionally above last season, but 7 percent below the 1964/65 peak (table 14). The 1969 crop, estimated at 582 million pounds, was 3 percent above a year earlier due to a record yield. Harvested acreage was about the same as in the past 3 years; acreage allotments for most farms were unchanged during this period.

The October 1 burley carryover was 1,316 million pounds--down 1 percent from a year earlier. But carryover under Government loan was up 19 million pounds (farm-sales weight) to 341 million pounds.

The 1969/70 supply is equal to 3.2 times probable disappearance, about the same as last season. The desirable ratio, based on the legislative formula, is 2.8. Carryover stocks next October 1 will probably not change much from this season's level.

1968/69 Disappearance Slightly Smaller

During the year ended September 30, 1969, disappearance of burley totaled 571

million pounds, 5 percent below the previous year. All the decline was in domestic use, as exports gained. Domestic use of burley was 516 million pounds, 30 million pounds below 1967/68. In the same period, cigarette manufacture--principal outlet for burley--was off 2 percent. Smoking tobacco output was also lower. Domestic use of Maryland tobacco, another light air-cured type, increased 18 million pounds last year; this may have displaced some burley. With little change likely in cigarette production in 1969/70, and relatively low Maryland supplies, some rebound is expected in domestic burley disappearance.

Heavy movement in the second half of the season brought burley exports in the marketing year ended September 30, 1969, to 55 million pounds (farm-sales weight), 2 million above a year earlier. About 21 percent was shipped in stemmed form, compared with 30 percent the previous year. West Germany, our leading foreign market for burley, increased takings 3 million pounds to a new record. West Germany's cigarette production gained 6 percent in 1968 over 1967 and gained further in 1969.

MARYLAND

1968/69 Disappearance Sets Record

During the year ended September 30, 1969, disappearance of Maryland tobacco was 49 million pounds, 13 million over the previous year. This is the highest level on record (table 14).

Domestic use of Maryland tobacco at 38 million pounds was 18 million above 1967/68. This was the largest domestic use on record. The previous high was

Table 14.--Maryland tobacco, type 32: Domestic supplies, disappearance, season average prices, and price support operations for specified periods

(Farm-sales weight)						
Year	Production	Stocks following Jan. 1 <u>1/</u>	Supply	Disappearance <u>2/</u>		
				Total	Domestic	Exports
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1955	31.5	77.5	109.0	38.6	25.7	12.9
1956	36.5	69.7	106.2	34.9	21.4	13.5
1957	38.5	69.4	107.9	37.0	25.0	12.0
1958	31.1	70.9	102.0	39.4	24.1	15.3
1959	31.2	64.2	95.4	32.3	20.4	11.9
1960	34.7	61.7	96.4	35.6	23.6	12.0
1961	38.8	60.6	99.4	32.6	20.7	11.9
1962	40.6	67.3	107.9	30.7	19.5	11.2
1963	34.5	76.6	111.1	31.0	18.5	12.5
1964	42.3	82.0	124.3	32.9	23.3	9.6
1965	38.5	90.1	128.6	35.7	24.7	11.0
1966	36.0	89.7	125.7	40.2	23.7	16.5
1967	32.4	86.3	118.7	36.0	20.3	15.7
1968	32.0	81.5	113.5	48.8	38.4	10.4
1969 <u>3/</u>	31.5	*65.0	96.5			
	Average price per pound	Price support level <u>4/</u>	Placed under Government loan		Remaining in Government loan stocks on November 30, 1969 <u>5/</u>	
			Quantity	Percentage of crop		
	Ct.	Ct.	Mil. lb.	Pct.	Mil. lb.	
1955	50.8	No price support	<u>6/</u>			
1956	51.7	47.0	3.3	9.0	0	
1957	44.9	48.0	5.9	15.3	0	
1958	62.5	50.8	1.1	3.6	0	
1959	61.6	No price support	<u>6/</u>			
1960	63.8	50.8	1.6	4.6	0	
1961	62.0	50.8	3.7	9.5	0	
1962	55.8	51.3	6.0	14.8	0	
1963	43.2	51.8	10.4	30.1	0	
1964	62.0	52.3	4.2	10.1	0	
1965	65.5	52.8	2.7	7.0	0	
1966	48.6	No price support	<u>6/</u>		0	
1967	62.4	No price support	<u>6/</u>		0	
1968	<u>7/</u> 69.8	No price support	<u>6/</u>		0	
1969		No price support	<u>6/</u>		0	
Total	---	---	38.9	---	0	

1/ For marketing quota purposes, the carryover and total supply of Maryland tobacco are calculated as of January 1 falling within the marketing year--October 1 through September 30. 2/ Year beginning October 1. 3/ Subject to revision. 4/ Through 1959--90 percent of parity price; 1960 set at 1959 level; from 1961 on, adjusted to reflect relative change between 1959 parity index and average of parity index for 3 most recent calendar years. 5/ Actual loan stocks on a packed-weight basis average about 2 percent less than these farm-sales weight figures. 6/ Marketing quota not in effect since over one-third of growers voting disapproved. 7/ Auction market average. *Estimated.

26 million in 1955/56. Domestic use in the current marketing year may be near the 20-25 million pound range just prior to last year.

Exports slumped further below year-earlier levels in August and September so the season's total of 10 million pounds (farm-sales weight) was off 5 million from the high level in 1967/68. Switzerland accounted for most of the decline but still took 45 percent of the total. U.S. exports of other tobaccos picked up in this same period as Swiss cigarette output gained.

1969/70 Supplies Equal Year Ago

Carryover on January 1, 1970 is estimated about 20 percent below the 81-1/2 million pounds of a year earlier because the sharply higher disappearance has exceeded production. The December estimate of the 1969 Maryland crop is 31-1/2 million pounds, about the same as the previous year. For the fourth year, acreage allotments were not in effect, since growers disapproved a marketing quota for the 1969 crop. Compared with 1968, the current crop was produced on the same acreage, with an estimated yield of 1,050 pounds. The crop plus the estimated carryover provides a 1969/70 supply about 15 percent below a year earlier. Auction sales of the 1969 Maryland tobacco crop will begin April 14 and end June 26. The hogshead market operates year-round.

FIRE-CURED

1969 Sales Prices Gain

Auction markets for Virginia fire-cured (type 21) opened December 2. For sales through December 18 (when markets

closed for the holidays until January 7), prices averaged 54.8 cents a pound, a record high. Auctions for Kentucky-Tennessee fire-cured (types 22 and 23) usually open around the middle of January.

The 1969 fire-cured crop, an estimated 41-1/2 million pounds, is 8 percent above 1968, and is about the same as use last marketing year. The overall support level for the 1969 crop is 44.6 cents a pound. In the Virginia-fire-cured markets through December 18, only 0.6 percent of market deliveries had been placed under Government loan, compared with about 3 percent in the comparable period of last season.

1969/70 Supplies Lower

The 1969/70 supply of fire-cured types totaled 124 million pounds--down about 4 percent from a year earlier. Based on prospective use, this supply would last 2-1/2 years. Carryover on October 1, 1970, will probably show a further decline from the current level.

The supply of Virginia fire-cured is down 7 percent from last year and the Kentucky-Tennessee supply is down 3 percent. The 1969 crops were larger than in 1968 but stocks declined again (tables 15 and 16).

Disappearance Declines Slightly

In the marketing year ended September 30, 1969, disappearance of fire-cured types was 46-1/2 million pounds--about 10 percent less than the previous season. Exports and domestic use both fell. In addition a fire loss of 5 million pounds in type 22 reduced carryover. Disappearance of both Kentucky-Tennessee types and the Virginia type fell.

Table 15.--Fire-cured tobacco, type 21: Domestic supplies, disappearance, season average price and price support operations for specified periods

(Farm-sales weight)						
Year	Production	Stocks, October 1	Supply	Disappearance <u>1/</u>		
				Total	Domestic	Exports
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1955	10.5	26.6	37.1	12.7	6.7	6.0
1956	10.7	24.4	35.1	10.3	4.8	5.5
1957	8.6	24.8	33.4	9.6	4.2	5.4
1958	9.4	23.8	33.2	10.7	5.3	5.4
1959	10.0	22.5	32.5	10.3	4.9	5.4
1960	8.9	22.2	31.1	10.2	4.0	6.2
1961	9.8	20.9	30.7	10.8	5.5	5.3
1962	9.5	19.9	29.4	9.2	4.1	5.1
1963	6.2	20.2	26.4	9.6	3.0	6.6
1964	9.1	16.8	25.9	10.3	4.0	6.3
1965	9.6	15.6	25.2	8.3	3.0	5.3
1966	7.5	16.9	24.4	9.6	2.3	7.3
1967	7.0	14.8	21.8	10.1	3.4	6.7
1968	5.9	11.7	17.6	7.7	3.0	4.7
1969 <u>2/</u>	6.4	9.9	16.3			
	Average price per pound	Price support level <u>3/</u>	Placed under Government loan		Remaining in Government loan stocks on November 30, 1969 <u>4/</u>	
			Quantity	Percentage of crop		
	Ct.	Ct.	Mil. lb.	Pct.	Mil. lb.	
1955	31.3	34.6	1.8	17.1	0	
1956	39.5	36.1	1.7	15.9	0	
1957	38.7	38.8	1.0	11.6	0	
1958	36.9	38.8	2.2	23.4	0	
1959	37.6	38.8	.8	8.1	0	
1960	39.4	38.8	.3	3.3	0	
1961	38.8	38.8	.9	9.8	0	
1962	38.8	39.2	1.2	12.6	0	
1963	35.5	39.6	.4	6.5	.1	
1964	43.1	40.0	.3	3.3	.1	
1965	39.9	40.4	1.0	10.4	.5	
1966	41.2	41.1	.6	8.0	.3	
1967	40.9	41.9	.7	10.1	.4	
1968	46.9	43.1	.2	3.4	.1	
1969		44.6	<u>5/</u>	<u>5/</u>	<u>5/</u>	
Total	---	---	13.1	---	1.6	

1/ Year beginning October 1.2/ Subject to revision.3/ Through 1957--75 percent of burley support; 1958-60 legal basis changed; from 1961 on adjusted to reflect relative change between 1959 parity index and average of parity index for 3 most recent calendar years.4/ Actual loan stocks on a packed-weight basis are somewhat lower than these farm-sales weight figures.5/ Through December 18, about .6 percent of marketings were placed under loan.

Table 16.--Fire-cured tobacco, types 22-23: Domestic supplies, disappearance, season average price and price support operations for specified periods

(Farm-sales weight)							
Year	Production	Stocks, October 1	Supply	Disappearance <u>1/</u>			
				Total	Domestic	Exports	
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1955	54.7	110.5	165.2	52.0	24.6	27.4	
1956	59.9	113.2	173.1	52.3	27.5	24.8	
1957	41.9	120.8	162.7	53.3	29.5	23.8	
1958	33.9	109.4	143.3	44.1	24.6	19.5	
1959	43.1	99.2	142.3	41.1	22.5	18.6	
1960	36.5	101.2	137.7	44.9	23.9	21.0	
1961	43.3	92.8	136.1	46.7	17.2	29.5	
1962	44.6	89.4	134.0	40.8	21.1	19.7	
1963	49.7	93.2	142.9	41.4	19.6	21.8	
1964	46.0	101.5	147.5	42.7	21.7	21.0	
1965	36.6	104.8	141.4	45.6	18.0	27.6	
1966	40.2	95.8	136.0	44.7	21.0	23.7	
1967	29.5	91.3	120.8	42.0	14.9	27.1	
1968	32.6	78.8	111.4	38.7	3/19.1	19.6	
1969 <u>2/</u>	35.1	72.7	107.8				
	Average price per pound	Price support level <u>4/</u>	Placed under Government loan		Remaining in Government loan stocks on November 30, 1969 <u>5/</u>		
			Quantity	Percentage of crop			
	Ct.	Ct.	Mil. lb.	Pct.	Mil. lb.		
1955	38.4	34.6	7.9	14.4	0		
1956	36.1	36.1	18.6	31.1	0		
1957	36.4	38.8	13.9	33.1	0		
1958	38.1	38.8	4.4	12.0	0		
1959	38.3	38.8	5.3	12.3	0		
1960	43.3	38.8	3.2	8.7	.3		
1961	40.2	38.8	5.1	11.8	.2		
1962	38.7	39.2	8.6	19.3	.4		
1963	36.9	39.6	13.0	26.2	2.5		
1964	41.0	40.0	7.2	15.7	3.2		
1965	43.6	40.4	2.3	6.3	1.0		
1966	42.2	41.1	6.3	15.7	3.1		
1967	46.2	41.9	.8	2.7	.5		
1968	51.1	43.1	.4	1.2	.4		
1969		44.6					
Total	---	---	97.0	---	11.7		

1/ Year beginning October 1.2/ Subject to revision.3/ Includes 5.1 million pounds fire loss, April 1969.4/ Through 1957--75 percent of burley support; 1958-60 legal basis changed; from 1961 on adjusted to reflect relative change between 1959 parity index and average of parity index for 3 most recent calendar years.5/ Actual loan stocks on a packed-weight basis are somewhat lower than these farm-sales weight figures.

Domestic use of Kentucky-Tennessee types fell 1 million pounds below the previous season, and domestic use of Virginia fire-cured fell 0.3 million pounds. As snuff, roll, and plug chewing tobacco output has declined, fire-cured disappearance has declined.

Last season's exports of fire-cured tobacco, including an allowance for Black Fat, fell 9-1/2 million pounds from 1967/68, reflecting inventory shifts for leaf and declining demand for Black Fat, a semi-processed product. Exports of Kentucky-Tennessee fire-cured in 1968/69 were 7-1/2 million pounds below the relatively high level in 1967/68. Most of this decline was in the Netherlands, the major fire-cured destination, where a value-added tax became effective last January. Among other leading outlets, France and Belgium took more this past season than previous, while Sweden and Switzerland took less.

The 1968/69 exports of Virginia fire-cured declined 2 million pounds from the previous year's total. About one-third of the total goes to Norway where it is made into shag tobacco for roll-your-own cigarettes and pipes. The preference for this kind of tobacco over factory cigarettes has been strong, so the sharp cut in Norway's takings is apparently an inventory adjustment. However, other European countries that reduced takings have experienced declines in snuff and pipe tobacco use.

DARK AIR-CURED

Prices and Price Support

Auction markets for One Sucker and Green River (Kentucky-Tennessee dark air-cured, types 35-36) opened December

6 and December 4 respectively. Auctions at Richmond opened for Virginia sun-cured (type 37) on December 9. The overall price support level for 1969 dark air-cured is 39.7 cents a pound.

Through December 19 comparisons of auction prices and proportion of sales placed under loan were as follows:

<u>Year and type</u>	<u>Avg. price per lb. Cents</u>	<u>Loan receipts Percent</u>
1969		
35	40.3	22.2
36	39.8	17.4
37	54.5	---
1968		
35	50.5	1.6
36	42.7	4.5
37	53.2	.1

The dark air-cured crop, an estimated 20.1 million pounds, was 5 percent above 1968's level and 1-1/2 million above last season's disappearance. Acreage was up for One Sucker type and yields increased for Green River and sun-cured.

1969/70 Supplies Near Year Ago

The 1969/70 supply of dark air-cured and sun-cured tobacco, about 83 million pounds, is 2 percent above last season. Both new crops and total carry-over are a little larger. The supply gain is in One Sucker type, as a small decline in supply occurred in Green River type, while sun-cured was unchanged (tables 17 and 18).

Total supplies of dark air-cured tobacco represent about 4 year's supply, based on last season's disappearance. But Government loan stocks on October

Table 17.--Dark air-cured tobacco, types 35-36: Domestic supplies, disappearance, season average price and price support operations for specified periods

(Farm-sales weight)							
Year	Production	Stocks, October 1	Supply	Disappearance ^{1/}			
				Total	Domestic	Exports	
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	
1955	27.8	76.6	104.4	23.6	18.4	5.2	
1956	30.7	80.8	111.5	34.0	23.4	10.6	
1957	19.8	77.5	97.3	24.8	18.5	6.3	
1958	16.1	72.5	88.6	25.0	17.5	7.5	
1959	19.3	63.6	82.9	21.9	16.4	5.5	
1960	18.2	61.0	79.2	22.0	17.3	4.7	
1961	20.6	57.2	77.8	22.6	17.9	4.7	
1962	22.5	55.2	77.7	19.5	16.5	3.0	
1963	24.2	58.2	82.4	21.2	18.1	3.1	
1964	22.7	61.2	83.9	22.0	18.0	4.0	
1965	18.5	61.9	80.4	19.8	16.2	3.6	
1966	21.3	60.6	81.9	21.4	17.0	4.4	
1967	15.5	60.5	76.0	17.8	14.8	3.0	
1968	18.0	58.2	76.2	17.1	15.0	2.1	
1969 ^{2/}	18.9	59.1	78.0				
	Average price per pound	Price support level ^{3/}	Placed under Government loan		Remaining in Government loan stocks on November 30, 1969 ^{4/}		
			Quantity	Percentage of crop			
	Ct.	Ct.	Mil. lb.	Pct.	Mil. lb.		
1955	31.8	30.8	6.3	22.7	0		
1956	34.0	32.1	6.6	21.5	0		
1957	36.1	34.5	3.0	15.2	0		
1958	38.4	34.5	.5	2.7	0		
1959	34.5	34.5	3.7	19.2	0		
1960	37.4	34.5	2.2	12.2	0		
1961	37.8	34.5	1.9	9.2	.1		
1962	36.2	34.8	4.1	18.2	.2		
1963	33.3	35.2	8.3	34.3	4.5		
1964	37.0	35.5	3.7	16.3	2.7		
1965	37.0	35.9	3.2	17.3	2.0		
1966	37.3	36.6	4.7	22.1	4.1		
1967	40.8	37.3	1.4	9.1	1.1		
1968	47.4	38.3	.7	3.9	.6		
1969		39.7	^{5/}	^{5/}	^{5/}		
Total	---	---	50.3	---	15.2		

^{1/} Year beginning October 1.^{2/} Subject to revision.^{3/} Through 1957--66 ^{2/3} percent of burley support; 1958-60 legal basis changed; from 1961 on adjusted to reflect relative change between 1959 parity index and average of parity index for 3 most recent calendar years.^{4/} Actual loan stocks on a packed-weight basis are somewhat lower than these farm-sales weight figures.^{5/} Through mid-December, about 21 percent of marketings were placed under loan.

Table 18.--Sun-cured tobacco, type 37: Domestic supplies, disappearance, season average price and price support operations for specified periods

(Farm-sales weight)							
Year	Production	Stocks, October 1	Supply	Disappearance ^{1/}			
				Total	Domestic	Exports	
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1955	3.3	4.2	7.5	2.9	2.1	0.8	
1956	3.2	4.6	7.8	2.5	1.9	.6	
1957	2.7	5.3	8.0	2.5	1.9	.6	
1958	1.9	5.5	7.4	2.5	2.2	.3	
1959	2.2	4.9	7.1	1.9	1.6	.3	
1960	1.8	5.2	7.0	2.0	1.7	.3	
1961	2.2	5.0	7.2	2.1	1.8	.3	
1962	2.3	5.1	7.4	2.3	2.0	.3	
1963	1.1	5.1	6.2	2.0	1.7	.3	
1964	1.8	4.2	6.0	1.7	1.4	.3	
1965	2.0	4.3	6.3	2.0	1.7	.3	
1966	1.5	4.3	5.8	1.6	1.2	.4	
1967	1.3	4.2	5.5	1.6	1.2	.4	
1968	1.2	3.9	5.1	1.3	1.1	.2	
1969 ^{2/}	1.3	3.8	5.1				
	Average price per pound	Price support level ^{3/}	Placed under Government loan		Remaining in Government loan stocks on November 30, 1969		
			Quantity	Percentage of crop			
	Ct.	Ct.	1,000 lb.	Pct.	1,000 lb.		
1955	25.3	30.8	75	2.2	0		
1956	35.7	32.1	103	3.2	0		
1957	34.0	34.5	11	.4	0		
1958	36.8	34.5	29	1.5	0		
1959	34.4	34.5	24	1.1	0		
1960	37.9	34.5	5	.3	0		
1961	39.8	34.5	7	.3	0		
1962	37.4	34.8	59	2.6	0		
1963	31.4	35.2	92	8.1	0		
1964	41.2	35.5	16	.9	0		
1965	39.2	35.9	75	3.8	0		
1966	42.3	36.6	26	1.7	0		
1967	45.2	37.3	25	1.9	0		
1968	53.2	38.3	1	.1	0		
1969		39.7	^{4/}	^{4/}			
Total	---	---	545	---	0		

^{1/} Year beginning October 1.^{2/} Subject to revision.^{3/} Through 1957--66 ^{2/3} percent of burley support, 1958-60 legal basis changed; from 1961 on adjusted to reflect relative change between 1959 parity index and average of parity index for 3 most recent calendar years.^{4/} Through mid-December, no marketings were placed under loan.

1, 1969--outset of the current marketing year--were 2 million pounds below year-earlier holdings and the lowest for that date since 1962. If disappearance is steady in 1969/70 the carryover will remain about the same.

Disappearance Declined in 1968/69

Disappearance of dark air-cured tobacco last season was 18-1/2 million pounds, about 1 million below the previous season. Domestic use steadied while exports declined. In October 1968-September 1969, combined output of plug, twist, and fine-cut chewing tobacco was 1-1/2 percent below a year earlier.

Exports of the dark types last season (including Black Fat) fell 1 million pounds below the previous season. Leaf exports were better maintained; Black Fat accounted for the decline.

Black Fat exports of 1.2 million pounds in 1968/69 were less than half of a year earlier, as principal African destinations all took less. Some of the African countries are growing more native tobaccos and the Nigerian internal conflict disrupts normal trade patterns.

The 1968/69 exports of One Sucker leaf were slightly above a year earlier. A large shipment went to South Vietnam in contrast to none in 1967/68. Only a negligible amount went to Belgium compared with 0.5 million pounds in 1967/-68. Exports of Green River leaf in 1968/-69 held at year-earlier levels. The United Kingdom and Australia, the 2 leading destinations, maintained takings. There have been no sales to Ghana the past 2 seasons in contrast to a sizable shipment in 1966/67.

CIGAR TOBACCO

U.S. cigar leaf tobacco is sold directly on the farms or through co-operatives; therefore price data on the 1969 crops of cigar types is not as readily available as for types sold at auctions. Season average prices will be published in the May 1970 issue of Crop Production. The December estimate of production of U.S. cigar types is about 2 percent below 1968. Yields improved, but acreage was off substantially.

U.S. and Puerto Rican Supplies Lower

Supplies of U.S. and Puerto Rican cigar tobacco are about 9 percent lower than in 1968, continuing the post-war trend (table 20). Carryover was down and 1969/70 production is a little lower. Most of the decline is occurring in cigar filler and binder types. Last season's domestic filler disappearance was a little lower than 1967/68. Wrapper use steadied while use of binder types gained. Imports provide about 55 percent of U.S. filler requirements and are expected to increase further. By November 30, 1969, Government loan stocks of cigar tobacco were below 1968's total (table 19).

U.S. and Puerto Rican Filler Supplies Lower

This year's supply of continental cigar filler is 7 percent below last year and the smallest on record (table 20). The decline is due to smaller carryover since production is being maintained. These supplies would last about 3 years, based on 1968/69 disappearance. Disappearance in the 1969/70 marketing

year may continue the downtrend, but it probably will again exceed production.

The supply of Pennsylvania cigar filler is smallest in 13 years--2 percent below last year. Carryover is lower but production is steady. The average yield for the 1969 crop is above that of 1968.

This year's supply of Ohio filler declined 2-1/2 million pounds to a new low. Both production and carryover are down. The supply of Puerto Rican filler is declining further from last year's longtime low. Though the Puerto Rican Government has set the production quota at 22-1/2 million pounds, growers are not likely to exceed last year's acreage. The crop is planted late in the calendar year and harvested early in the following year.

Imports Supplementing Lower U.S. Supplies

For 1968/69 (October-September), cigar tobacco imports again exceeded use from domestic supplies. With domestic supplies declining further in 1969/70, manufacturers may draw even more heavily on foreign leaf.

Cigar tobacco imports for consumption October-September, 1967/68, 1968/69

Country of origin	Oct.- 1967: Sept. 1968	Oct.- 1968: Sept. 1969	Change from 1967/68
	----- <u>Million pounds</u> -----		
Philippine Republic	30.9	35.3	+4.4
Dominican Republic	10.8	10.1	- .7
Brazil	8.0	6.9	-1.1
Colombia	7.5	6.9	- .6
All others	17.4	19.5	+2.1
Total	74.6	78.7	+4.1

Last season 79 million pounds (farm-sales weight) of cigar tobacco were imported for consumption, 4 million above the previous season. This increased volume supplemented reduced U.S. supplies. Imports from both major and minor suppliers were higher.

Foreign-grown cigar leaf stocks in the United States on October 1 reached 96 million pounds--5 million above a year earlier. However, stocks were below the 1965 high. The Philippine and the Paraguayan tobaccos accounted for the gains.

Foreign-grown cigar leaf stocks, October 1, 1967-69

Country of origin	October 1 --		
	1967	1968	1969
	<u>Million pounds</u>		
	Farm-sales weight		
Philippine Republic	30.1	35.7	40.2
Dominican Republic	10.2	14.4	10.0
Colombia	11.0	12.1	11.2
Brazil	10.6	9.5	8.0
Indonesia	5.0	3.8	8.0
Paraguay	2.3	3.2	8.1
Cuba	3.6	2.2	1.4
Others	12.1	10.0	14.1
Total*	84.9	90.9	96.1

*Based on unrounded data.

Binder Supplies Lower

The season's binder tobacco supplies are about 14 percent below 1968/69 primarily due to smaller carryovers. At the end of this season another decline in carryover is likely.

Connecticut Valley production (types 51-52) was estimated 8 percent

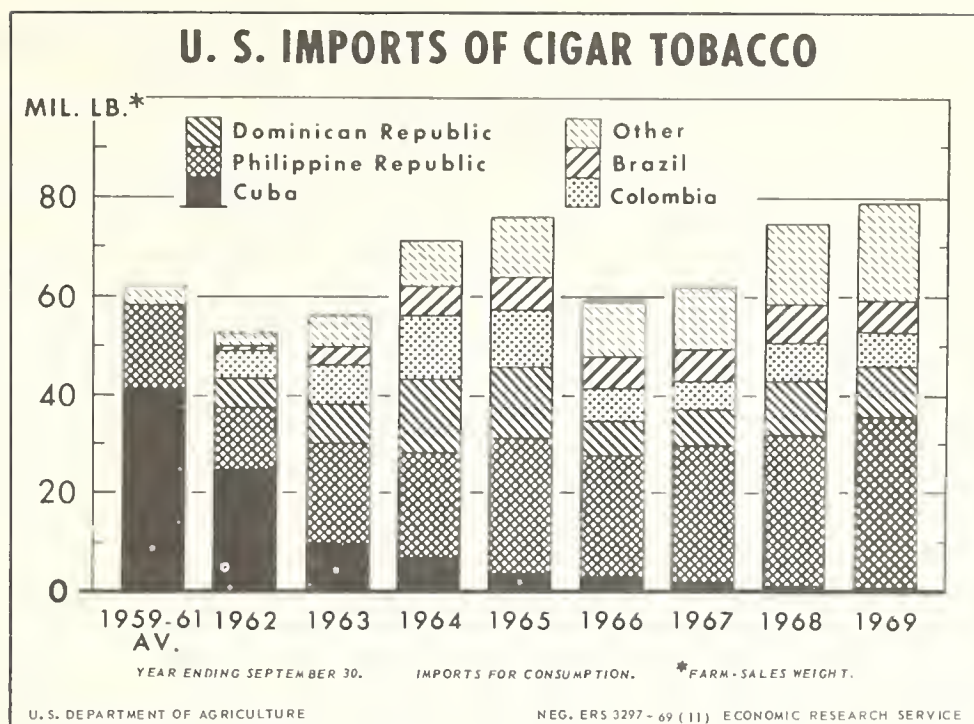


Table 19.--Cigar tobacco price support operations, quantities placed under loan, 1955-68, and remaining under loan November 30, 1969

Crop	Quantities placed under loan						
	Puerto Rican, type 46	Ohio, types 42-44	Connecticut Valley, type 51	Connecticut Valley, type 52	Southern Wisconsin, type 54	Northern Wisconsin, type 55	Total
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1955	2.8	0.8	7.8	5.2	0.4	3.1	20.1
1956	1.5	.4	1.7	1.6	.1	.9	6.2
1957	2.0	.1	2.5	.4	0	.3	5.3
1958	2.0	0	.3	.1	0	.1	2.5
1959	1.8	0	1.5	.2	.9	1/	4.4
1960	.9	0	1.6	2.6	3.2	3.2	11.5
1961	.4	0	.8	1.9	1.5	4.5	9.1
1962	.7	.1	.2	1.4	.3	4.4	2/7.1
1963	.6	.6	.2	1.3	1.0	3.1	6.8
1964	0	.1	.1	1.0	1/	.8	2.0
1965	1.8	.2	.9	.5	.6	3.2	7.2
1966	6.1	.2	.7	.3	.1	3.3	10.7
1967	1.2	.4	.1	1/	.2	2.4	4.3
1968	4.9	.1	1/	0	1/	.4	5.5
Remaining under loan as of November 30, 1969							
1960	0	0	0	0	0	0	0
1961	0	0	0	.1	0	0	.1
1962	0	0	0	.1	0	0	.1
1963	0	0	0	.2	0	0	.2
1964	0	0	1/	.1	0	0	.1
1965	1.2	0	1/	.3	0	0	1.5
1966	0	0	.3	.1	0	0	.4
1967	0	0	0	0	1/	0	1/
1968	0	.1	0	0	1/	.1	.2
Total	1.2	.1	.4	.9	1/	.1	2.7

1/ Negligible. 2/ Includes negligible amount from the 1962 crop of New York and Pennsylvania Havana Seed (type 53).

Table 20.--Cigar filler tobacco, types 41-46: Domestic supplies, disappearance, and season average prices, for specified periods

(Farm-sales weight)

Year	Production	Stocks, October 1	Supply	Disappearance 1/			Average price per pound
				Total	Domestic	Exports	
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Ct.
Pennsylvania Seedleaf (type 41)							
1957	41.2	105.3	146.5	42.8	42.7	0.1	20.5
1958	51.0	103.7	154.7	50.4	50.1	.3	28.0
1959	53.5	104.3	157.8	48.1	48.0	.1	31.5
1960	52.7	109.7	162.4	47.5	47.4	.1	28.0
1961	53.5	114.9	168.4	45.5	45.4	.1	27.0
1962	60.0	122.9	182.9	2/52.0	2/51.7	.3	23.5
1963	51.8	128.0	179.8	2/44.7	44.2	.5	21.0
1964	45.9	138.1	184.0	54.6	54.1	.5	27.0
1965	51.3	129.4	180.7	53.0	51.2	1.8	24.0
1966	38.5	127.7	166.2	53.9	52.4	1.5	25.0
1967	38.3	112.3	150.6	41.9	41.3	.6	28.0
1968	37.3	108.7	146.0	41.4	40.5	.9	30.0
1969 3/	38.0	105.1	143.1				
Ohio, Miami Valley (types 42-44)							
1957	4.6	23.1	27.7	7.2	7.2		22.8
1958	2.5	20.5	23.0	5.9	5.9		24.2
1959	6.9	17.1	24.0	6.5	6.5		27.3
1960	6.6	17.5	24.1	6.5	6.5		28.1
1961	7.7	17.6	25.3	5.1	5.1		28.3
1962	7.5	20.2	27.7	6.6	6.6		28.2
1963	6.8	21.1	27.9	8.7	8.7		27.1
1964	5.8	19.2	25.0	8.0	8.0		26.7
1965	5.4	17.0	22.4	6.2	6.2		26.2
1966	6.0	16.2	22.2	6.7	6.7		28.0
1967	3.6	15.5	19.1	6.2	6.2		29.0
1968	3.4	12.9	16.3	5.7	5.7		31.0
1969 3/	2.8	10.9	13.7				
Puerto Rico (type 46) 4/							
1957	26.7	50.3	77.0	27.4	27.3	.1	27.5
1958	25.6	49.6	75.2	32.8	31.6	1.2	30.0
1959	28.1	42.4	70.5	26.7	26.2	.5	31.6
1960	27.5	43.8	71.3	28.0	27.9	.1	33.7
1961	30.7	43.3	74.0	32.4	32.3	.1	36.8
1962	35.6	41.6	77.2	28.0	28.0	---	38.0
1963	32.0	49.2	81.2	29.8	29.6	.2	40.8
1964	37.9	51.4	89.3	26.7	26.7	---	37.2
1965	16.2	62.6	78.8	27.0	27.0	---	5/32.1
1966	12.0	51.8	63.8	23.3	23.3	---	5/31.3
1967	10.8	40.5	51.3	16.9	16.9	---	5/33.1
1968 3/	7.9	34.4	42.3	16.5	16.5	---	5/33.6
1969 3/	*	25.8					

1/ Year beginning October 1. 2/ Adjusted to take into account 1962 tobacco still held at the farm level at end of 1962-63 marketing year. 3/ Subject to revision. 4/ Puerto Rican planting occurs late in calendar year. 5/ Excludes payment by Puerto Rican Government. * Quota set by Commonwealth Government of Puerto Rico.

Table 21.--Cigar binder tobacco, types 51-52: Domestic supplies, disappearance and season average prices, for specified periods

(Farm-sales weight)							
Year	Production	Stocks, October 1	Supply	Disappearance 1/			Average price per pound
				Total	Domestic	Exports	
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Ct.
Connecticut Valley Broadleaf (type 51)							
1957	5.1	25.5	30.6	8.4	7.7	0.7	50.0
1958	3.6	22.2	25.8	5.8	5.6	.2	54.0
1959	4.5	20.0	24.5	4.1	3.9	.2	45.0
1960	3.6	20.4	24.0	4.6	4.3	.3	44.0
1961	3.1	19.4	22.5	3.7	3.6	.1	43.3
1962	2.9	18.8	21.7	6.2	6.0	.2	53.5
1963	3.7	15.5	19.2	4.6	4.3	.3	51.0
1964	3.8	14.6	18.4	3.7	2/	2/	50.0
1965	3.5	14.7	18.2	4.3	2/	2/	46.5
1966	2.7	13.9	16.6	4.8	2/	2/	52.0
1967	2.0	11.8	13.8	5.3	2/	2/	55.0
1968	2.1	8.5	10.6	4.5	2/	2/	60.0
1969 3/	2.2	6.2	8.4				
Connecticut Valley Havana Seed (type 52)							
1957	3.2	20.2	23.4	7.5	6.3	1.2	44.9
1958	1.8	15.9	17.7	3.2	2.6	.6	49.4
1959	3.2	14.5	17.7	4.9	4.2	.7	41.2
1960	3.2	12.8	16.0	4.2	2.4	1.8	42.5
1961	2.4	11.8	14.2	3.2	2.1	1.1	40.6
1962	2.4	11.0	13.4	3.3	2.6	.7	42.5
1963	2.3	10.1	12.4	4.1	2.8	1.3	41.6
1964	1.9	8.3	10.2	3.6	2/	2/	43.8
1965	1.5	6.6	8.1	2.7	2/	2/	44.5
1966	1.1	5.4	6.5	2.0	2/	2/	49.5
1967	.7	4.5	5.2	2.4	2/	2/	53.0
1968	.7	2.8	3.5	.8	2/	2/	58.0
1969 3/	.8	2.7	3.5				
Total Connecticut Valley (types 51-52)							
1957	8.3	45.7	54.0	15.9	14.0	1.9	48.2
1958	5.4	38.1	43.5	9.0	8.2	.8	52.4
1959	7.7	34.5	42.2	9.0	8.1	.9	43.4
1960	6.8	33.2	40.0	8.8	6.5	2.3	43.3
1961	5.5	31.2	36.7	6.9	5.7	1.2	42.1
1962	5.3	29.8	35.1	9.5	8.6	.9	48.5
1963	6.0	25.6	31.6	8.7	7.1	1.6	47.5
1964	5.7	22.9	28.6	7.3	5.2	2.1	47.9
1965	5.0	21.3	26.3	7.0	4.9	2.1	45.9
1966	3.8	19.3	23.1	6.8	5.2	1.6	51.2
1967	2.7	16.3	19.0	7.7	5.5	2.2	54.5
1968	2.8	11.3	14.1	5.3	4.9	.4	59.5
1969 3/	3.0	8.9	11.9				

1/ Year beginning October 1.

2/ Breakdown between domestic use and exports not available for individual types of Connecticut Valley binder tobacco.

3/ Subject to revision.

Table 22.--Cigar binder tobacco, types 54-55: Domestic supplies, disappearance, and season average prices, for specified periods

(Farm-sales weight)							
Year	Production	Stocks, October 1	Supply	Disappearance 1/			Average price per pound
				Total	Domestic	Exports	
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Ct.
Southern Wisconsin (type 54)							
1957	7.6	21.0	28.6	8.6	8.2	0.4	31.1
1958	8.8	20.0	28.8	8.0	7.6	.4	34.6
1959	9.2	20.9	30.1	8.0	7.7	.3	29.3
1960	8.6	22.2	30.8	7.5	7.3	.2	28.0
1961	9.0	23.3	32.3	9.0	8.9	.1	28.7
1962	8.7	23.3	32.0	7.7	7.6	.1	29.3
1963	8.3	24.3	32.6	9.7	9.7	<u>2/</u>	30.0
1964	8.7	22.9	31.6	8.9	<u>3/</u>	<u>3/</u>	32.2
1965	8.5	22.7	31.2	8.8	<u>3/</u>	<u>3/</u>	29.7
1966	7.4	22.4	29.8	9.1	<u>3/</u>	<u>3/</u>	34.3
1967	7.2	20.7	27.9	8.0	<u>3/</u>	<u>3/</u>	34.4
1968	7.4	19.9	27.3	7.7	<u>3/</u>	<u>3/</u>	36.8
1969 4/	7.0	19.6	26.6				
Northern Wisconsin (type 55)							
1957	12.2	31.6	43.8	17.2	15.1	2.1	33.5
1958	13.0	26.6	39.6	14.4	12.1	2.3	35.2
1959	11.6	25.3	36.9	12.4	11.5	.9	37.1
1960	12.3	24.4	36.7	11.3	10.9	.4	30.6
1961	13.4	25.4	38.8	11.0	10.6	.4	29.6
1962	10.9	27.8	38.7	11.1	10.9	.2	29.1
1963	9.7	27.6	37.3	12.5	12.5	<u>2/</u>	31.6
1964	11.2	24.8	36.0	9.2	<u>3/</u>	<u>3/</u>	35.8
1965	10.8	26.8	37.6	9.4	<u>3/</u>	<u>3/</u>	28.9
1966	8.8	28.2	37.0	7.7	<u>3/</u>	<u>3/</u>	32.4
1967	8.9	29.3	38.2	9.3	<u>3/</u>	<u>3/</u>	34.1
1968	6.7	28.9	35.6	14.9	<u>3/</u>	<u>3/</u>	37.9
1969 4/	6.5	20.7	27.2				
Total Wisconsin (types 54-55)							
1957	19.8	52.6	72.4	25.8	23.3	2.5	32.6
1958	21.8	46.6	68.4	22.4	19.7	2.7	35.0
1959	20.8	46.2	67.0	20.4	19.2	1.2	33.7
1960	20.9	46.6	67.5	18.8	18.2	.6	29.5
1961	22.4	48.7	71.1	20.0	19.5	.5	29.2
1962	19.6	51.1	70.7	18.9	18.6	.3	29.2
1963	18.0	51.9	69.9	22.2	22.2	<u>2/</u>	30.9
1964	19.9	47.7	67.6	18.1	17.5	.6	34.2
1965	19.3	49.5	68.8	18.2	17.9	.3	29.3
1966	16.2	50.6	66.8	16.8	16.5	.3	33.3
1967	16.1	50.0	66.1	17.3	16.9	.4	34.2
1968	14.1	48.8	62.9	22.6	22.2	.4	37.3
1969 4/	13.5	40.3	53.8				

1/ Year beginning October 1.

2/ Negligible.

3/ Breakdown between domestic use and exports not available for individual types of Wisconsin tobacco.

4/ Subject to revision.

Table 23.--Cigar wrapper tobacco, types 61-62: Domestic supplies, disappearance, and season average prices, for specified periods

(Farm-sales weight)							
Year	Production	Stocks, July 1	Supply	Disappearance ^{1/}			Average price per pound
				Total	Domestic	Exports	
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Ct.
Connecticut Valley Shade-grown (type 61)							
1957	11.8	11.4	23.2	10.1			205.0
1958	10.2	13.1	23.3	10.3	6.9	3.4	235.0
1959	10.7	13.0	23.7	8.6	6.1	2.5	210.0
1960	12.0	16.2	28.2	11.3	8.8	2.5	190.0
1961	10.3	16.9	27.2	12.0	8.7	3.3	235.0
1962	11.9	15.2	27.1	11.1	8.3	2.8	250.0
1963	12.0	16.0	28.0	14.1	10.0	4.1	260.0
1964	13.5	13.9	27.4	13.1	10.0	3.1	250.0
1965	14.6	14.3	28.9	12.6	9.3	3.3	250.0
1966	13.7	16.3	30.0	14.0	10.5	3.5	295.0
1967	9.6	16.0	25.6	12.9	9.6	3.3	360.0
1968	10.2	12.7	22.9	10.8	9.1	1.7	280.0
1969 ^{2/}	8.8	12.1	20.9				
Georgia-Florida Shade-grown (type 62)							
1957	7.1	7.1	14.2	6.7			190.0
1958	6.3	7.5	13.8	6.5	4.6	1.9	185.0
1959	7.8	7.3	15.1	7.5	6.1	1.4	195.0
1960	9.3	7.7	17.0	6.5	5.5	1.0	200.0
1961	8.8	10.5	19.3	9.1	6.5	2.6	190.0
1962	7.4	10.2	17.6	8.5	6.4	2.1	205.0
1963	6.7	9.1	15.8	7.6	5.3	2.3	205.0
1964	7.6	8.2	15.8	8.5	7.3	1.2	235.0
1965	8.3	7.3	15.6	7.4	5.6	1.8	225.0
1966	7.3	8.2	15.5	6.8	6.1	.7	185.0
1967	8.0	8.7	16.7	6.6	5.0	1.6	245.0
1968	7.9	10.1	18.0	8.8	6.7	2.1	270.0
1969 ^{2/}	7.8	9.2	17.0				
Total Shade-grown (types 61-62)							
1957	18.9	18.5	37.4	16.8	11.5	5.3	199.0
1958	16.5	20.6	37.1	16.8	11.5	5.3	216.0
1959	18.5	20.3	38.8	16.1	12.2	3.9	204.0
1960	21.3	23.9	45.2	17.8	14.3	3.5	194.0
1961	19.1	27.4	46.5	21.1	15.2	5.9	214.0
1962	19.3	25.4	44.7	19.6	14.7	4.9	233.0
1963	18.7	25.1	43.8	21.7	15.3	6.4	240.0
1964	21.1	22.1	43.2	21.6	17.3	4.3	245.0
1965	22.9	21.6	44.5	20.0	14.9	5.1	241.0
1966	21.0	24.5	45.5	20.8	16.6	4.2	257.0
1967	17.6	24.7	42.3	19.5	14.6	4.9	308.0
1968	18.1	22.8	40.9	19.6	15.8	3.8	275.7
1969 ^{2/}	16.6	21.3	37.9				

^{1/} Year beginning July 1.^{2/} Subject to revision.

Table 24.--Acreage of tobacco in the United States, by class and type, average 1956-60 and 1961-65, annual 1966-69 with percentages

Class and type	Average 1956-60	Average 1961-65	1966	1967	1968 <u>1/</u>	1969 <u>1/</u>	Percent- age change 1968 to 1969
	1,000 acres						Percent
Va. and N.C. Old and Middle Belts, type 11	255.9	239.6	212.2	204.8	186.8	204.0	9.2
Eastern North Carolina, type 12	231.8	213.2	201.0	192.0	171.0	184.0	7.6
N.C. Border and S.C. Belt, type 13	141.2	129.4	119.5	128.9	107.1	116.0	8.3
Georgia and Florida, type 14	83.6	80.4	74.3	84.6	68.1	71.8	5.4
Total flue-cured, types 11-14	712.5	662.6	607.0	610.3	533.0	575.8	8.0
Virginia, type 21	7.4	7.3	6.0	5.4	4.9	4.9	0
Kentucky and Tennessee, type 22	21.4	19.0	15.4	13.2	13.7	14.3	4.4
Kentucky and Tennessee, type 23	7.8	7.4	5.6	4.1	4.2	4.7	11.9
Total fire-cured, types 21-23	36.6	33.7	27.0	22.7	22.8	23.9	4.8
Burley, type 31	302.0	315.9	240.7	237.7	237.6	237.6	0
Maryland, type 32	38.4	37.6	35.0	31.5	30.0	30.0	0
Ky.-Tenn. One Sucker, type 35	9.8	8.6	7.2	6.5	6.8	7.1	4.4
Kentucky Green River, type 36	4.8	4.4	3.5	3.0	3.1	3.1	0
Virginia sun-cured, type 37	2.2	1.9	1.4	1.2	1.1	1.1	0
Total dark air-cured, types 35-37	16.8	14.9	12.1	10.7	11.0	11.3	2.7
Pennsylvania Seedleaf, type 41	30.0	28.6	23.0	21.0	21.0	20.0	-4.8
Ohio Miami Valley, types 42-44	3.7	4.0	3.2	2.3	2.0	1.7	-15.0
Total cigar filler, types 41-44	33.7	32.6	26.2	23.3	23.0	21.7	-5.7
Connecticut Valley Broadleaf, type 51	2.8	1.8	1.3	1.1	1.2	1.2	0
Mass.-Conn. Valley Havana Seed, type 52	1.7	1.0	.5	.4	.4	.4	<u>2/</u> 13.9
Southern Wisconsin, type 54	5.0	4.8	3.9	3.8	3.7	3.7	0
Northern Wisconsin, type 55	8.1	6.8	5.4	4.5	4.0	3.7	-7.5
Total cigar binder, types 51-55	17.6	14.4	11.1	9.8	9.3	9.0	-3.3
Connecticut Valley Shade-grown, type 61	8.1	8.2	8.8	8.5	8.4	6.1	-27.4
Georgia and Florida Shade-grown, type 62	5.5	5.6	5.8	5.1	5.0	5.0	<u>2/</u> -2.0
Total cigar wrapper, types 61-62	13.6	13.8	14.6	13.6	13.4	11.0	-17.9
Louisiana Perique, type 72	.2	.3	.2	.2	.2	.2	0
Total all types	1,171.5	1,125.8	973.9	959.8	880.3	920.6	4.6

1/ Subject to revision.2/ Computed from unrounded data.

Detail may not add to total, due to rounding.

Table 25.--Tobacco: Acreage and yield per acre in the United States, by types, or groups of types, for specified periods

Period	Flue-cured 11-14	Burley 31	Maryland 32	Va. 21	Ky.-Tenn. 22-23	Dark air-cured 35-36	Va. 37	Cigar						Total 1/		
								Filler							Binder	Wrapper 61-62
								41	42-44	46	51-52	54-55				
Thousand acres																
Average:																
1950-54	1,048.8	433.7	49.6	9.9	40.0	23.1	3.6	30.2	5.5	37.9	15.7	16.5	13.1	1,728.1		
1955	990.7	310.6	47.0	9.1	39.1	20.0	4.2	29.5	4.4	36.1	13.4	14.3	12.9	1,531.5		
1956	875.3	309.8	43.5	8.5	38.5	19.3	3.1	29.0	3.9	26.3	7.2	11.8	13.3	1,389.8		
1957	662.7	306.6	37.0	6.9	29.7	14.5	2.6	29.0	3.6	26.5	4.3	11.6	13.1	1,148.3		
1958	639.4	297.1	34.0	6.8	24.3	12.7	1.6	30.0	3.0	24.2	2.9	13.0	12.9	1,102.1		
1959	693.4	301.0	40.0	7.6	27.6	13.2	2.1	31.0	3.9	26.3	4.5	14.4	14.0	1,179.1		
1960	691.8	295.7	37.5	7.3	25.9	13.0	1.8	31.0	4.3	28.5	3.8	14.6	14.6	1,170.0		
1961	698.5	318.9	40.0	7.5	27.9	13.5	2.1	31.0	4.6	27.0	2.9	13.7	13.4	1,201.4		
1962	729.8	338.6	41.0	7.6	28.5	13.9	2.2	30.0	4.2	28.5	2.6	12.1	13.2	1,252.6		
1963	694.5	338.5	34.5	6.6	27.7	13.8	1.5	28.0	3.9	30.0	2.8	10.7	12.9	1,205.7		
1964	627.6	306.6	39.0	7.3	24.8	12.4	1.7	27.0	3.7	30.8	2.8	10.9	13.8	1,108.6		
1965	562.3	277.1	33.5	7.6	23.2	11.3	1.8	27.0	3.7	17.0	2.6	10.9	15.6	993.9		
1966	607.0	240.7	35.0	6.0	21.0	10.7	1.4	23.0	3.2	9.0	1.8	9.3	14.6	982.9		
1967	610.3	237.7	31.5	5.4	17.3	9.5	1.2	21.0	2.3	7.6	1.5	8.3	13.6	967.4		
1968	533.0	237.6	30.0	4.9	17.9	9.8	1.1	21.0	2.0	6.2	1.6	7.7	13.4	886.5		
1969 2/	575.8	237.6	30.0	4.9	19.0	10.2	1.1	20.0	1.7	3/5.7	1.6	7.4	11.0	926.3		
Pounds																
Average:																
1950-54	1,271	1,382	833	1,178	1,145	1,191	1,011	1,572	1,506	824	1,711	1,459	1,164	1,281		
1955	1,497	1,513	670	1,155	1,399	1,391	775	1,550	1,700	831	1,643	1,469	1,213	1,451		
1956	1,625	1,635	840	1,260	1,555	1,592	1,030	1,670	1,625	913	1,849	1,712	1,290	1,583		
1957	1,471	1,592	1,040	1,245	1,411	1,367	1,030	1,420	1,270	1,008	1,940	1,709	1,442	1,475		
1958	1,691	1,567	915	1,385	1,393	1,269	1,170	1,700	835	1,058	1,867	1,682	1,283	1,599		
1959	1,559	1,669	780	1,320	1,560	1,466	1,040	1,725	1,770	1,068	1,712	1,449	1,325	1,547		
1960	1,808	1,639	925	1,220	1,411	1,403	995	1,700	1,535	965	1,826	1,431	1,460	1,685		
1961	1,801	1,820	970	1,300	1,552	1,525	1,045	1,725	1,665	1,137	1,856	1,640	1,429	1,741		
1962	1,930	1,993	990	1,255	1,566	1,619	1,040	2,000	1,775	1,249	2,014	1,621	1,464	1,876		
1963	1,975	2,231	1,000	940	1,795	1,751	760	1,850	1,740	1,067	2,093	1,680	1,449	1,970		
1964	2,211	2,022	1,085	1,245	1,854	1,828	1,060	1,700	1,555	1,231	2,021	1,821	1,530	2,044		
1965	1,883	2,116	1,150	1,260	1,574	1,639	1,105	1,900	1,465	951	1,910	1,765	1,468	1,882		
1966	1,825	2,437	1,030	1,255	1,919	1,987	1,065	1,675	1,885	1,338	2,111	1,744	1,440	1,932		
1967	2,070	2,274	1,030	1,290	1,702	1,629	1,090	1,825	1,580	1,419	1,819	1,943	1,292	2,045		
1968	1,841	2,372	1,065	1,205	1,822	1,831	1,095	1,775	1,670	1,277	1,785	1,824	1,343	1,938		
1969 2/	1,829	2,450	1,050	1,300	1,854	1,850	1,150	1,900	1,650	3/1,400	1,876	1,825	1,495	1,955		

1/ Total includes Perique--type 72--and in 1950-53, type 53. 2/ Preliminary. 3/ Projected.

1/ Total includes Perique--type 72--and in 1950-53, type 53. 2/ Preliminary. 3/ Projected.

Table 26.--Tobacco: Acreage, yield, production, stocks, supply, disappearance price and crop value, United States and United States including Puerto Rico, for specified years (farm-sales weight)

Crop year	Acreage	Yield	Production	Stocks 1/	Supply	Disappearance 1/			Average price per pound	Value of crop
						Total	Domestic	Exports		
	1,000 acres	Pounds			Million pounds				Cents	Million dollars
Average:										
1947-49	1,676	1,208	2,019	2,947	4,965	1,908	1,417	491	45.9	926
1950-54	1,690	1,292	2,184	3,382	5,566	2,006	1,479	527	51.2	1,118
1955	1,495	1,466	2,193	3,977	6,170	2,058	1,410	648	53.2	1,166
1956	1,364	1,596	2,176	4,112	6,288	1,929	1,373	556	53.7	1,169
1957	1,122	1,486	1,668	4,359	6,027	1,921	1,393	528	56.1	936
1958	1,078	1,611	1,737	4,106	5,843	1,923	1,388	535	59.9	1,040
1959	1,153	1,558	1,796	3,920	5,716	1,927	1,424	503	58.3	1,048
1960	1,142	1,703	1,944	3,789	5,733	2,029	1,462	567	60.9	1,184
1961	1,174	1,755	2,061	3,704	5,765	2,051	1,461	590	63.8	1,315
1962	1,224	1,891	2,315	3,714	6,029	2,004	1,474	530	58.9	1,364
1963	1,176	1,994	2,344	4,025	6,369	2,046	1,437	609	57.7	1,352
1964	1,078	2,067	2,228	4,323	6,551	2,055	1,506	549	59.2	1,319
1965	977	1,898	1,855	4,496	6,351	2,000	1,462	538	65.1	1,207
1966	974	1,937	1,887	4,351	6,238	2,098	1,394	704	66.4	1,253
1967	960	2,050	1,968	4,140	6,108	2,020	1,372	648	66.8	1,316
1968	880	1,943	1,710	3/4,088	5,798	1,974	1,351	623	69.5	1,189
1969 2/	921	1,958	1,803	3,824	5,627					
United States and Puerto Rico										
Average:										
1947-49	1,710	1,200	2,045	3,012	5,057	1,942	1,447	495	45.6	932
1950-54	1,728	1,282	2,215	3,430	5,645	2,036	1,508	527	50.9	1,127
1955	1,532	1,451	2,223	4,037	6,260	2,090	1,442	648	52.8	1,174
1956	1,390	1,583	2,200	4,170	6,370	1,960	1,403	557	53.5	1,176
1957	1,148	1,475	1,694	4,410	6,104	1,948	1,420	528	55.6	943
1958	1,102	1,599	1,762	4,156	5,918	1,956	1,420	536	59.5	1,048
1959	1,179	1,547	1,825	3,962	5,787	1,954	1,450	504	57.9	1,057
1960	1,170	1,685	1,972	3,833	5,805	2,058	1,491	567	60.5	1,193
1961	1,201	1,741	2,092	3,747	5,839	2,083	1,493	590	63.4	1,326
1962	1,253	1,876	2,350	3,756	6,106	2,032	1,502	530	58.6	1,378
1963	1,206	1,970	2,376	4,074	6,450	2,076	1,467	609	57.5	1,365
1964	1,109	2,044	2,266	4,374	6,640	2,081	1,532	549	58.8	1,333
1965	994	1,882	1,871	4,559	6,430	2,027	1,489	538	64.8	1,212
1966	983	1,932	1,899	4,403	6,302	2,121	1,417	704	66.2	1,257
1967	967	2,045	1,979	4,181	6,160	2,037	1,389	648	66.7	1,319
1968	886	1,941	1,718	3/4,123	5,841	1,991	1,368	623	69.3	1,191
1969 2/	926	1,955	1,811	3,850	5,661					

1/ For flue-cured and cigar wrapper, year beginning July 1; for all other types, Oct. 1.

2/ Preliminary.

3/ Includes about 13 million pounds of flue-cured held on farms.

higher than in 1968 (table 21). Carry-over of both Broadleaf and Havana Seed were at new lows. For both types, supplies are the lowest on record, together down some 2 million pounds from 1968/69. Another drop in carry-over is likely by the end of the current marketing year.

Wisconsin binder production (types 54-55) is off 4 percent from 1968 (table 22). Production of both Southern and Northern Wisconsin kinds is lower. Carryover was down 8-1/2 million pounds so the supply of Wisconsin types combined is down by some 9 million in total from 1968/69. The season's use, and disappearance in the current marketing season probably will reduce the carryover.

Binder Disappearance

Gains in 1968/69

Cigar binder disappearance for last season was 28 million pounds, about 2-1/2 million above a year earlier. A sizable gain occurred in the Northern Wisconsin type as disappearance of Connecticut Valley and Southern Wisconsin types fell to record lows in 1968/69.

Most of the 2.7 million pound decline in Connecticut Valley binder disappearance was due to lower exports. Spain was the leading destination in 1967/68, but took none this past season. Exports to West Germany and Canary Islands also declined.

The 1968/69 disappearance of Wisconsin tobacco was 5 million pounds above

the previous year. Scrap chewing tobacco output, the principal outlet for Wisconsin binder, gained almost 2 million pounds in the same period. Exports were about the same as in 1967/68.

Wrapper Supplies Below Last Seasons' Level

Cigar wrapper tobacco supplies for 1969/70 are about 3 million pounds below last year (table 23). The crop is smaller primarily due to an acreage reduction in the Connecticut Valley, but total wrapper carryover was down 1-1/2 million pounds. This season through October, wrapper exports of 0.6 million pounds were 1 million below a year ago. If disappearance holds near last marketing year's level, carryover next July 1 will be about 10 percent below last July's 21 million pounds.

The 1969/70 supply of Connecticut Valley shade-grown wrapper is 8 percent below a year earlier and about 15 percent below the 1963-67 average. The crop is estimated 1.4 million pounds below 1968 despite higher yields.

The 1969/70 supply of Georgia-Florida wrapper is 6 percent below last season's 7-year high. This year's crop was 1 percent short of last year.

During July-October 1969 exports were considerably reduced for both Georgia-Florida and for Connecticut Valley. The leading cigar wrapper destinations last season were West Germany, United Kingdom, Canada, Canary Islands, Belgium, Switzerland, and South Vietnam.

WORLD TOBACCO PRODUCTION, 1969 2/

World Tobacco Harvest

Again at High Level

World production of tobacco in 1969 of 9.9 billion pounds is down fractionally

2/ Data summarized from "World Production of Tobacco". Foreign Agriculture Circular FT 5-69, December 1969, available from Foreign Agricultural Service, Room 5918, USDA, Washington, D.C. 20250.

from 1968, and 4 percent below the record output in 1967. Production gained in North and South America and Oceania, but was lower in Europe, Africa, and Asia. In Asia where most of the decline occurred, both acreage and yields were lower.

Flue-cured production in 1969 was up about 3 percent from the previous year. Increased production occurred in the United States, Canada, India, and several countries in Latin America, Africa, and Asia. In areas outside the United States, the increase was apparently in response to the U.N. sanctions on Rhodesian trade.

In Rhodesia, the 1969 flue-cured harvest is estimated near the production goal of 132 million pounds. The output target has been at this level for 2 years and continues for the early 1970 harvest. This target is 100 million pounds below the 1965 production level, which preceded the imposition of U.N. sanctions. The Rhodesian Government has announced a target of 100 million pounds at a slightly increased price guarantee for the 1970/71 and 1971/72 seasons.

Production in Canada increased about 9 percent this season. Acreage was reduced further, but favorable weather at harvest increased output. Growers added a substantial number of bulk curing barns this past season to reduce manual labor. Auctions in Ontario began November 6. Comparisons of sales volume and average prices through December 12 are as follows:

<u>Year</u>	<u>Quantity</u> (Mil. lbs.)	<u>Price per lb.</u> (U.S. cents)
1968	57.3	64.3
1969	54.1	60.9

India's 1969 flue-cured crop turned out larger despite unfavorable growing conditions for the third successive year. Production exceeded that of 5 years ago for the first time. India has not been able to take full advantage of the Rhodesian embargo. Indian tobacco quality fails to meet the demands of the United Kingdom and Japanese markets. Also, similar low priced leaf competes in several other expanding markets. A sizable quantity of Indian leaf from 1968 and prior crops remains unsold.

In many developing countries of Latin America, Asia, and Africa, particularly South Korea, Pakistan, Brazil, and Thailand, flue-cured production has expanded rapidly in recent years. In a 19-country group, output is estimated at 737 million, 10 percent above 1968 and 65 percent above the 1960-64 average. Acreage in these areas has been expanding, and growers are attempting to improve the quality.

World burley production in 1969 was up 4 percent from 1968 because of better growing conditions. The outturn is still below the 1963 high because of lower U.S. acreage. But besides the United States, larger 1969 harvest were recorded in Brazil and Greece. Outside the United States, many countries have been increasing acreage and offering sizable portions of their crops for export.

Oriental leaf production decreased 3 percent in 1969 but remains at a very high level in relation to requirements. Poor growing conditions reduced the 1969 crop in West Asia and Balkan countries but acreage was cut back because of unsold old-crop stocks.

Patterns and Prospects

Several factors have contributed to expanding production of flue-cured and burley tobaccos in the developing countries, including: (1) rapidly rising world demand for blended cigarettes; (2) increased U.S. prices; (3) preferential arrangements for certain suppliers; (4) ample supplies of low cost labor; (5) higher net returns per acre from these tobaccos than can be obtained from most other competing crops, including other types of tobacco. 3/

The outlook for U.S. tobacco exports is dependent on a number of highly variable political situations in Europe, Asia, and Africa, especially the integration of European countries, the future Rhodesian trade, and duty preference plans for imports from less developed countries. Production situations vary in individual countries, but this rising trend of cigarette tobacco production in developing countries will probably persist.

3/ B. G. Andrews, "The Story of the 1960's: U.S. Tobacco in World Trade" Foreign Agriculture, November 10, 1969.

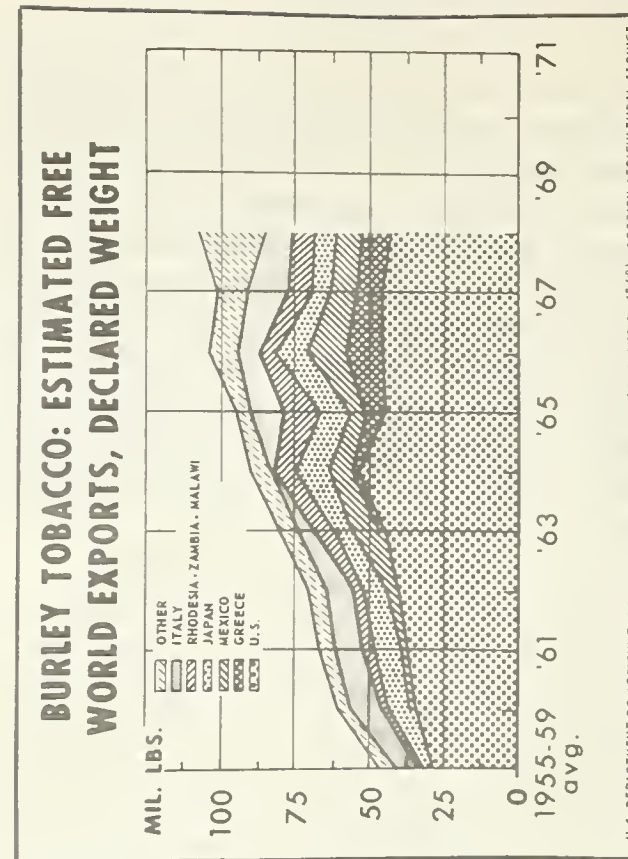
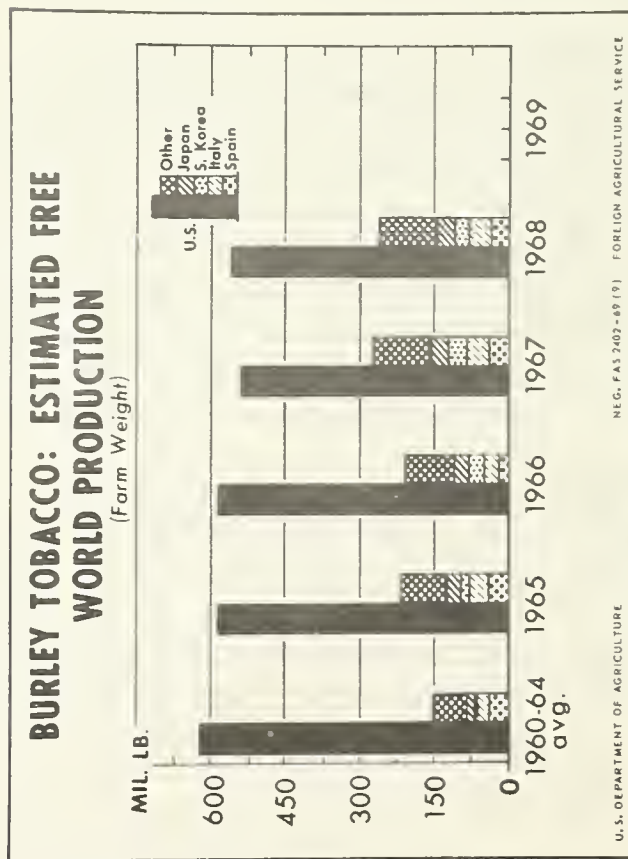
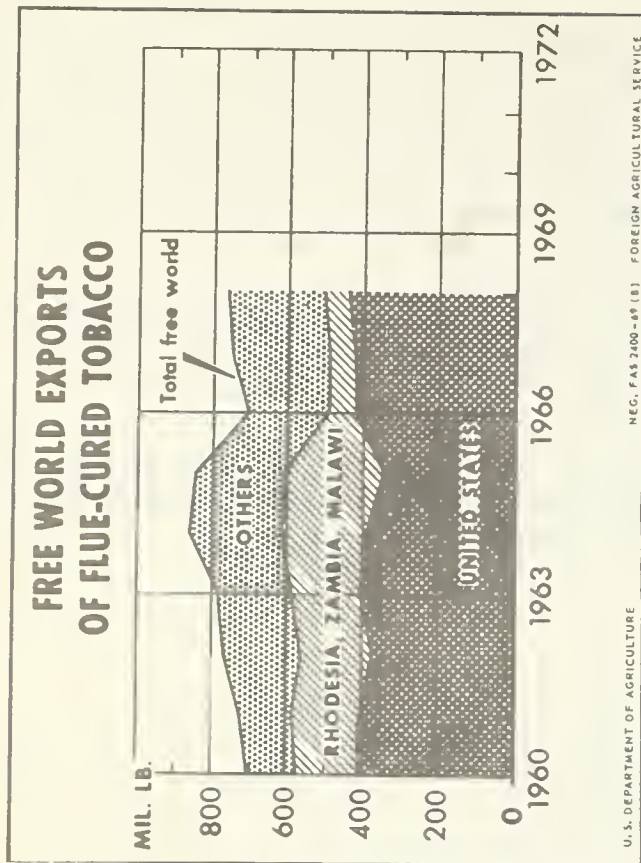
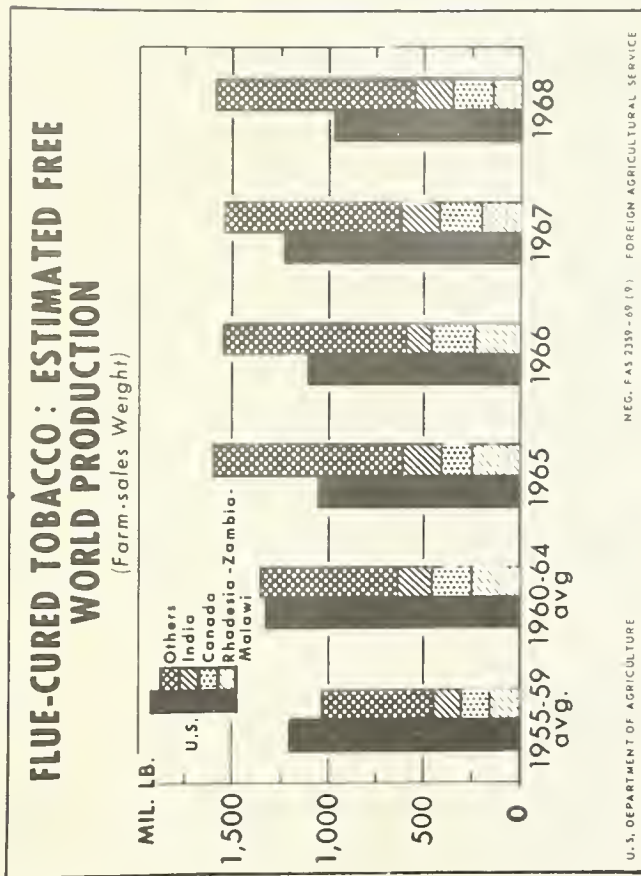


Table 27.--Flue-cured and Oriental tobacco production in specified countries, average 1960-64, 1968-69

Country	Production			Country	Production		
	Average :	1968 :	1969 :		Average :	1968 :	1969 :
	1960-64 :	1/ :	2/ :		1960-64 :	1/ :	2/ :
	<u>Million pounds</u>				<u>Million pounds</u>		
Flue-cured:				Flue-cured--			
Canada	184	211	230	continued:			
Mexico	6	13	15	Japan	204	287	256
Brazil	119	126	168	Cambodia	3	9	9
Angola	1	11	12	South Korea	56	111	134
Mozambique	3	6	7	Pakistan	23	82	85
Zambia	17	14	11	Philippines	72	98	99
Malawi	3	6	6	Thailand	23	41	43
Rhodesia	225	3/128	3/132	South Vietnam	4	7	7
Tanzania	3	15	14	Total	1,245	1,506	1,590
Uganda	2	6	7	Oriental:			
South Africa	28	47	47	Greece	216	174	154
Iran	1	8	3	Bulgaria	198	3/231	3/216
Taiwan	38	45	44	Yugoslavia	76	79	74
Ceylon	4	9	10	Turkey	277	355	320
India	184	209	235	Total	767	839	764
Indonesia	42	17	16				

1/ Subject to revision.

2/ Preliminary.

3/ Estimated.

Compiled from reports of Foreign Agricultural Service.

OUTLOOK CONFERENCE SCHEDULED FOR FEBRUARY 16-19

The 47th National Agricultural Outlook Conference has been scheduled for February 16 through 19th of 1970, in Washington, D.C. The Conference, sponsored by the U. S. Department of Agriculture's Economic Research Service, will feature talks by leading agricultural and business experts on the national and international economic outlook prospects for U. S. agriculture, and up-to-date assessments of commodity, food, and family living developments. The Tobacco Session is scheduled for 9:15 - 10:30 a.m., February 19.

B
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X TOBACCO PRODUCTION CHANGES 1/

In earlier years, tobacco growing in the United States took a small capital investment, but large amounts of labor. Traditionally, tobacco production units have been small, but cash returns per acre are large in comparison to alternative crops. These characteristics, coupled with favorable climate and soil conditions, have made tobacco production appealing, especially in the Southeast, where farms are small and an abundant supply of low-cost labor has usually been available. Tobacco production has changed during the past 20 years. However, the basic characteristics are moderate capital investment, large labor requirement, and high returns per acre.

Changes in National and Regional Production

Tobacco production has decreased in contrast to gains generally in other farming enterprises, because acreage control programs have held down output and many farmers have chosen other sources of cash income. Gone are the sideline tobacco enterprises on many farms. Tobacco output averaged 1.85 billion pounds in 1965-69, a decline of 15 percent from 1950-54.

Six major tobacco classes, comprising several types, are grown in the United States. Differences among classes result chiefly from variations in soils, climate, cultural practices, and curing methods. These factors have caused production of each class and type to concentrate in a specific growing area.

Over the years farmers have shifted tobacco production to the types that meet changing domestic and export require-

ments. As a result, cigarette-type tobaccos now predominate. Flue-cured ranks first and burley second; the two combined account for 90 percent of 1964-69 production compared with 88 percent during 1950-54. Maryland, another cigarette tobacco, has maintained its output share. The shares for fire-cured, dark air-cured, and cigar tobaccos have declined. Since the early 1950's production has declined for each kind of tobacco, except burley. The decline has been relatively small for flue-cured and Maryland.

Several factors have caused production shifts: (1) Changes in demand for tobacco products; (2) changes in tobacco blends; (3) increased use of imports; (4) extensive use of reconstituted sheet tobacco, and (5) other new manufacturing technology. Also, acreage-poundage quotas on flue-cured tobacco limit the marketings of this type. Acreage allotments apply for burley, dark air-cured, fire-cured, and some cigar types but do not directly restrict pounds marketed per acre. Allotments are designed to hold down production, but growers have adopted yield-increasing practices to partly offset acreage reductions.

In addition to a relatively small decline in total flue-cured production, shifts in production among the flue-cured belts have also occurred. Comparing the 1950-54 and the 1965-69 periods, the Old and Middle belts (types 11) about maintained their production shares. The

1/ By Johnny D. Braden, Economic and Statistical Analysis Division, Economic Research Service.

Eastern belt (type 12) declined slightly, and the Border belt (type 13) and the Georgia-Florida belt (type 14) both increased their shares slightly. The changes in production among the flue-cured belts can be attributed mainly to differences in yields, labor supply, and increased nonfarm job opportunities.

In the burley belt, Kentucky has increased in importance. Acreage per farm is larger and yields are higher. Production shares for other States, including Tennessee, the second largest burley State, have declined.

Changes in Tobacco Growing

Both the total number and the average size allotment for all types of tobaccos have trended downward. This past season there were 530,760 allotments for tobacco. Counting non-allotted types, an estimated 400,000 farms are selling tobacco. Acreage allotment numbers declined by 7 percent from 1959 to 1968, and the average size allotment by 12 percent.

Flue-cured and burley allotments both have declined at about the same rate. However, burley allotments tend to be smaller than flue-cured allotments. The average is 3.13 acres for flue-cured, and .88 acres for burley. In 1968, about 43 percent of flue-cured acreage was on allotments less than 4.01 acres (table 28). In terms of allotment numbers, more than 78 percent of flue-cured allotments were 4 acres or less but for burley 78 percent were 1 acre or less.

Although both acreage and average allotment sizes have declined, production remains virtually unchanged from the 1959/60 level due to increased yields per

acre (table 29). Yields increased 18 percent from 1960 to 1969, and about 51 percent since 1950-54.

Increased yields have occurred in many crops; however, acreage allotments have undoubtedly been an important factor in tobacco yield increases. With a fixed acreage, farmers have been anxious to adopt new practices and technology that increased production. Higher rates of fertilization, higher yielding and improved varieties; better disease, insect and sucker control; higher topping; and closer spacing are important changes that have increased yields.

Changes in Labor Requirements

During 1965-69, about 470 million man-hours of labor were required annually to produce the Nation's tobacco crop compared to 784 million hours in the early 1950's. The labor required to produce a pound of tobacco has trended downward because of new technology, increased mechanization, and improved management practices. As a result, the index of tobacco production per-man hour in 1968 was 122 (1957-59=100) 2/, 49 percent greater than that of 1950. Reductions in labor requirements take two forms: (1) More efficient utilization of labor, and (2) capital being substituted for labor. But labor is extremely critical at harvest. Rapid mechanization could have important implications for the people involved and the future competitiveness of the industry. 3/

2/ Changes in Farm Production and Efficiency, USDA Stat. Bul. No. 233, Washington, D. C. June, 1969.

3/ Potential Mechanization in the Flue-cured Tobacco Industry, Agric. Econ. Report No. 169, ERS, USDA, Washington, D. C., September 1969.

Labor efficiency has risen for operations such as land preparation and cultivation that are more related to acres than to poundage produced. However, labor for operations such as harvesting increases with yield increases. Chemicals that control weeds in plant beds and control suckers in the field have reduced labor requirements substantially in recent years. Transplanting is now largely mechanized, especially for flue-cured, but it still requires manual placing of plants in the machine or ground.

Engineers have been developing mechanical tobacco harvesters, but the size and cost make them uneconomical for most growers to own and operate. However, tractor drawn and self-propelled machines, and automatic tying machines are widely used in flue-cured harvesting. Flue-cured growers have shifted from wood to petroleum fuels for curing, reducing labor requirements. Compared with the conventional curing barn, the bulk method reduces curing labor by about 120 hours per acre. But the large capital outlay limits its use.^{4/}

Flue-cured growers sell virtually all their output in untied form. This reduces labor requirements from about 5.00 hours per 100 pounds for tied tobacco, to 1.94 hours for untied.^{5/} So most growers find the price differential for tied tobacco unattractive.

Outlook

The shortage of labor, especially for tobacco harvest, probably will intensify in future years. Tobacco producing areas are becoming more industrialized, and non-farm jobs are becoming more available. This coupled with higher wage levels will make it increasingly difficult for tobacco producers to compete for seasonal labor. Increased mechanization, while costly, could reduce labor requirements and enable U.S. tobacco to compete more vigorously in domestic and foreign outlets. Mechanical harvesters are being developed that could relieve some of the labor required during the peak season. However, most of the mechanization is too costly on the small acreages. Federal laws and regulations hinder merging production units into a size of operation that can effectively use available production technology. If the merging of allotments and transfers of allotments across county lines were permitted, tobacco could be shifted from hilly areas with small irregular fields to areas where output could be effectively mechanized.

4/ Chappel, J.S., and Toussaint, W.D., Harvesting and Curing Flue-cured Tobacco with Automatic Tying Machines, Bulk Curing and the Conventional Method; Cost and Prices Received, Agr. Econ. Inform. Series No. 123, Dept. of Econ., N. C. State Univ., August 1965.

5/ Nicholson, R. H., Bradford G. L. and Chappel, J. S. An Analysis of Labor Requirements and Market Price Differences for Tied and Untied Flue-cured Tobacco Econ. Inform. Report No. 11, Dept. of Econ. N. C. State Univ., July 1969.

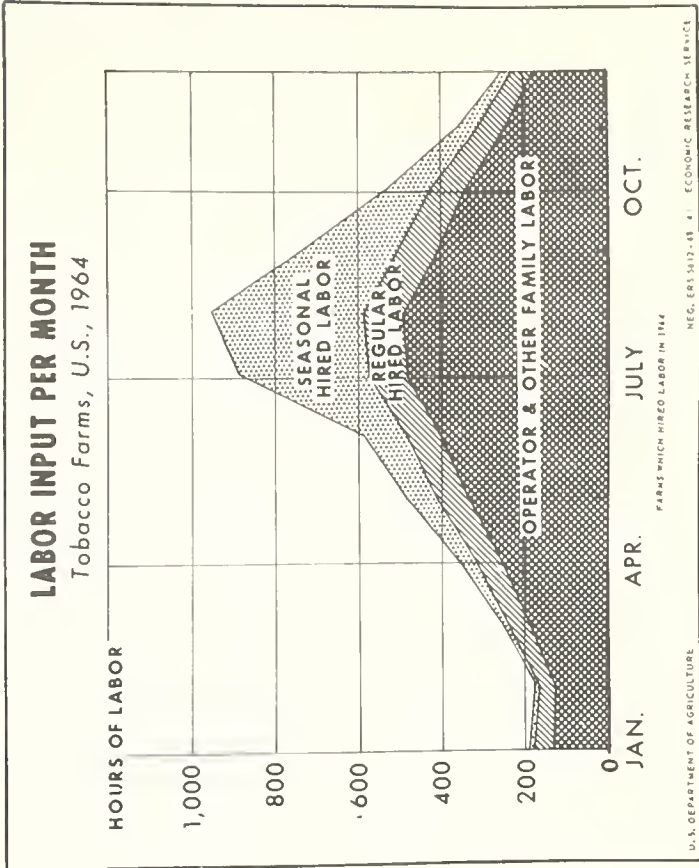
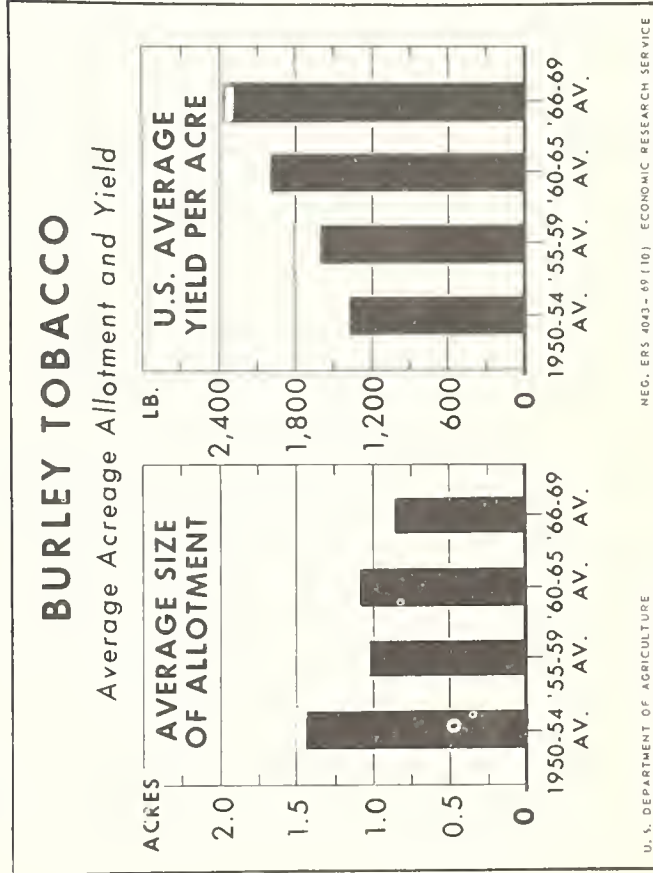
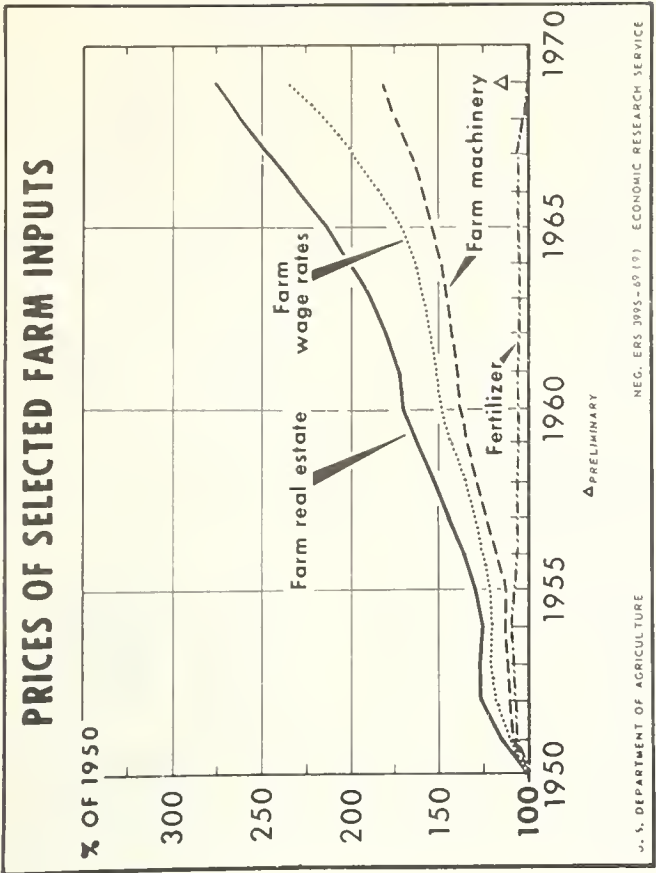
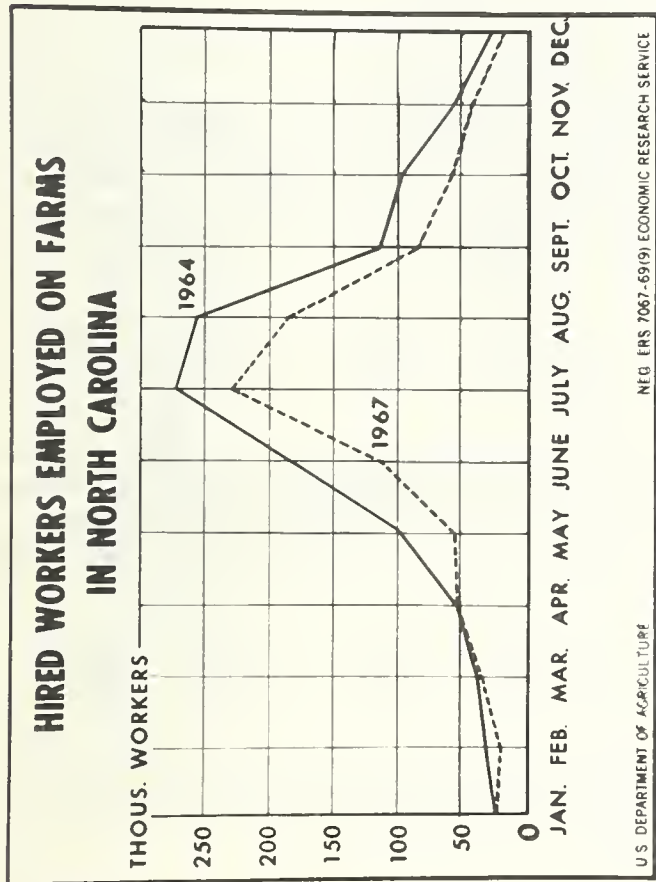


Table 28.--Tobacco production: Index numbers of total output and percentage distribution by selected types, United States, 5-year periods, 1950-69

Period	Flue-cured	Fire-cured	Burley	Maryland	Dark air-cured	Cigar types	Total 1/
	- - - - -	- - - - -	- - - - -	<u>1950-54=100</u>	- - - - -	- - - - -	- - - - -
1955-59	90.7	98.4	81.1	81.9	82.0	84.4	87.6
1960-64	100.2	91.8	103.8	92.6	75.8	86.5	99.7
1965-69	83.0	72.8	94.8	83.4	63.7	68.6	84.9
	- - - - -	- - - - -	- - - - -	<u>Percent of total</u>	- - - - -	- - - - -	- - - - -
1950-54	61.02	2.63	27.47	1.89	1.42	5.58	100.0
1955-59	63.16	2.95	25.42	1.76	1.33	5.38	100.0
1960-64	61.30	2.42	28.60	1.75	1.08	4.85	100.0
1965-69	59.68	2.25	30.65	1.85	1.06	4.51	100.0

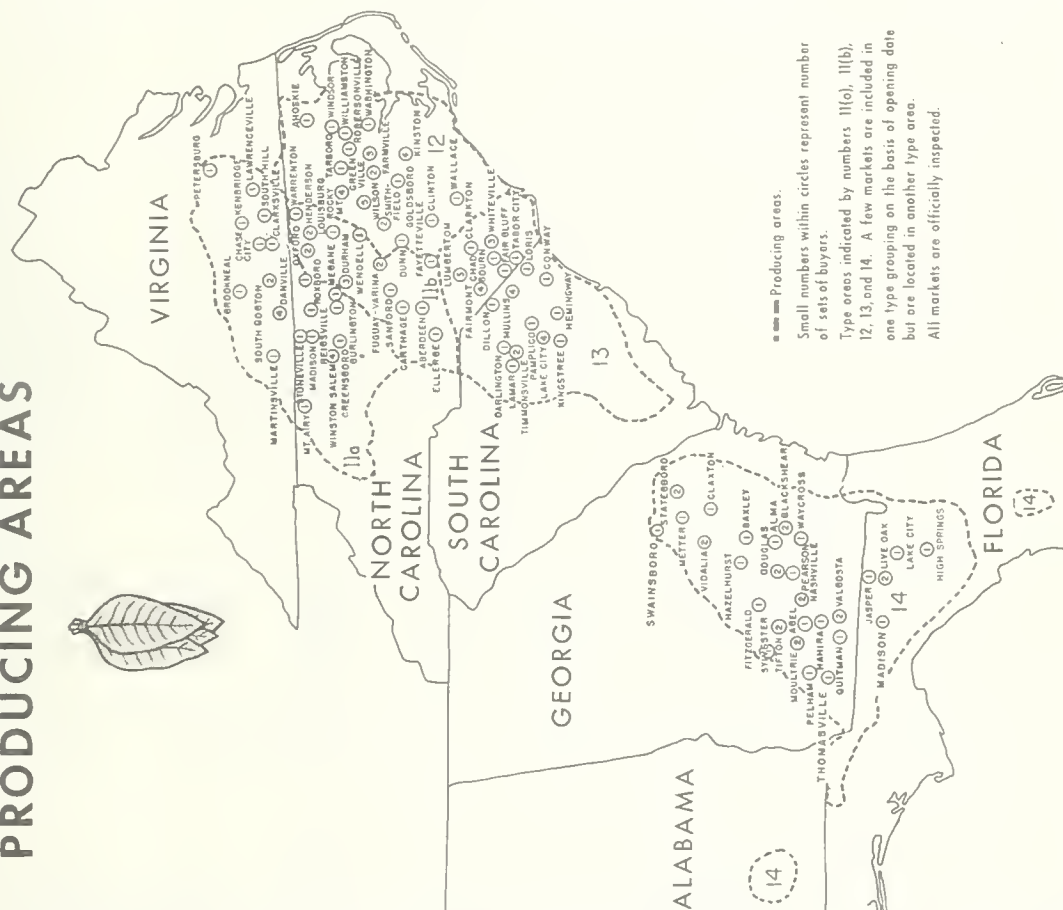
1/ Detail may not add due to rounding and small amount of perique not shown separately.

Table 29.--Distribution of burley and flue-cured tobacco allotments by size groups, 1959 and 1968

Type and year	Allotment size groups (acres)							
	.01-.50		.51-1.00		1.01-6.00		Over 6.00	
	Farms	Acres	Farms	Acres	Farms	Acres	Farms	Acres
	- - - - - Percent of total - - - - -							
<u>Burley</u>								
1959	28.31	9.01	45.28	29.48	25.20	49.07	1.21	12.44
1968	55.06	24.56	23.92	19.61	20.11	45.27	.91	10.56
	.01-2.00		2.01-4.00		4.01-9.00		Over 9.00	
	Farms	Acres	Farms	Acres	Farms	Acres	Farms	Acres
<u>Flue-cured</u>								
1959	43.39	13.82	31.46	26.31	19.27	31.88	5.88	27.99
1968	47.47	15.57	30.96	27.88	16.46	30.13	5.11	26.42

Compiled from records of Agricultural Stabilization and Conservation Service.

FLUE-CURED TOBACCO AUCTION MARKETS AND PRODUCING AREAS



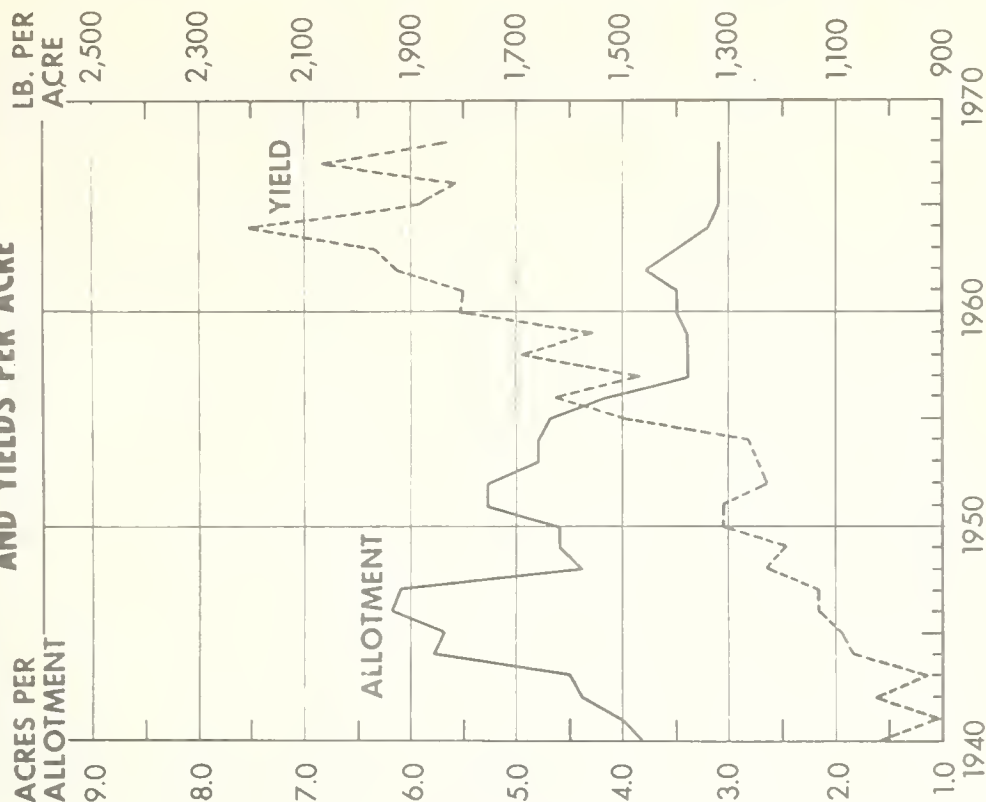
■ Producing areas.

Small numbers within circles represent number of sets of buyers.

Type areas indicated by numbers 11(a), 11(b), 12, 13, and 14. A few markets are included in one type grouping on the basis of opening date but are located in another type area.

All markets are officially inspected.

FLUE-CURED TOBACCO, AVERAGE ALLOTMENT AND YIELDS PER ACRE



U.S. DEPARTMENT OF AGRICULTURE

NEG. ERS 7066-69(9) ECONOMIC RESEARCH SERVICE

U.S. DEPARTMENT OF AGRICULTURE

NEG. C&MS-294-68(3) CONSUMER AND MARKETING SERVICE

STATISTICAL SUMMARY

Item	Unit or base period	1968		1969			Last data as percentage of same year earlier
		Oct.	Nov.	Sept.	Oct.	Nov.	
Average price at auctions							
Flue-cured	Ct. per lb.	63.7	61.2	72.2	71.1	66.8	109
Burley	Ct. per lb.	Closed	73.8	C-1-o-s-e-d		71.2	96
Marylsnd	Ct. per lb.	C-1-o-s-e-d		C-1-o-s-e-d			---
Virginia fire-cured	Ct. per lb.	C-1-o-s-e-d		C-1-o-s-e-d			---
Ky.-Tenn. fire-cured	Ct. per lb.	C-1-o-s-e-d		C-1-o-s-e-d			---
Ky.-Tenn. dark air-cured	Ct. per lb.	C-1-o-s-e-d		C-1-o-s-e-d			---
Virginia sun-cured	Ct. per lb.	C-1-o-s-e-d		C-1-o-s-e-d			---
Support price 1/							
Flue-cured	Ct. per lb.	61.6			63.8		104
Burley	Ct. per lb.	63.5			65.8		104
Marylsnd	Ct. per lb.	No support			No support		---
Virginia fire-cured	Ct. per lb.	43.1			44.6		104
Ky.-Tenn. fire-cured	Ct. per lb.	43.1			44.6		104
Ky.-Tenn. dark air-cured	Ct. per lb.	38.3			39.7		104
Virginia sun-cured	Ct. per lb.	38.3			39.7		104
Connecticut Valley							
cigars binder	Ct. per lb.	44.0			45.5		104
Wis. binder and Ohio filler	Ct. per lb.	31.7			32.9		104
Puerto Rican filler	Ct. per lb.	33.0			34.2		104
Parity index 2/	1910-14=100	358	360	374	376	377	105
Industrial production index 3/	1957-59=100	166	168	174	173	171	102
Employment	Mill.	76.4	76.6	78.0	78.7	78.7	103
Personal income 4/	Bil. dol.	766.2	711.5	760.7	763.7	766.9	108
Taxable removals							
Cigarettes	Bil.	44.2	50.1	43.2	45.6	45.8	91
Cigars and cigarillos	Mill.	660.8	787.4	725.9	695.3	845.4	107
Accumulated from Jan. 1							
Cigarettes	Bil.	397.1	447.2	342.3	387.9	433.6	97
Cigars and cigarillos	Mill.	5896.0	6683.4	5095.1	5790.4	6635.9	99
Invoiced to domestic customers							
Accumulated from Jan. 1							
Smoking tobacco	Mill. lb.	48.2			46.2		96
Chewing tobacco	Mill. lb.	49.7			50.7		102
Snuff	Mill. lb.	21.1			20.4		97
Tax-exempt removals							
Cigarettes	Bil.	5.5	4.5	4.0	3.7	4.1	91
Exports	Bil.	3.3	1.6	2.7	2.0	2.1	131
Cigars and cigarillos	Mill.	9.9	11.6	20.2	13.3	15.8	136
Accumulated from Jan. 1							
Cigarettes	Bil.	40.7	45.2	31.9	35.6	39.8	88
Exports	Bil.	20.2	21.8	16.6	18.5	20.6	94
Cigars and cigarillos	Mill.	134.1	145.7	113.5	126.8	142.6	98
Invoiced for export							
Accumulated from Jan. 1							
Smoking tobacco	Mill. lb.	1.5			1.2		80
Chewing tobacco	Mill. lb.	.4			.2		50
Wholesale price indexes 5/							
Cigarettes (reg. nonfilter)	1957-59=100	119.9	119.9	132.7	132.7	132.7	111
Cigars	1957-59=100	101.6	101.6	105.1	106.7	106.7	105
Smoking tobacco	1957-59=100	130.2	132.8	139.6	139.6	139.6	105
Plug chewing tobacco	1957-59=100	133.3	133.3	133.3	133.3	133.3	100
Snuff	1957-59=100	129.2	131.7	142.3	143.2	144.0	109
Consumer price indexes (urban) 6/							
Cigarettes (reg. nonfilter)	1957-59=100	147.2	---	---	158.0	---	107
Cigarettes (filter tip king)	Mar. 1959=100	139.4	---	---	150.1	---	108
Cigars (domestic reg. size)	1957-59=100	104.8	---	---	109.6	---	105
Imports of tobacco							
Cigarette leaf	Mill. lb.	13.6	14.5	13.4	11.3	14.7	101
Cigar tobacco 7/	Mill. lb.	6.9	7.1	8.8	8.8	8.4	118
Accumulated from Jan. 1							
Cigarette leaf	Mill. lb.	127.6	142.1	100.7	112.0	126.8	89
Cigar tobacco 7/	Mill. lb.	67.4	74.5	63.3	72.1	80.5	108

See footnotes at end of table.

Continued -

STATISTICAL SUMMARY--CONTINUED

Item	Unit or base period	1968		1969			Last data as percentage of a year earlier
		Sept.	Oct.	Aug.	Sept.	Oct.	
Exports of leaf tobacco							
(farm-sales weight)							
Flue-cured	Mil. lb.	64.6	38.4	36.5	62.8	65.2	170
Burley	Mil. lb.	7.2	1.9	5.9	3.7	3.4	179
Maryland	Mil. lb.	3.2	.6	.8	.7	1.6	267
Virginia fire- & sun-cured	Mil. lb.	1.4	.3	.8	.7	.1	33
Ky.-Tenn. fire-cured	Mil. lb.	3.1	.8	1.9	2.9	2.5	312
Ky.-Tenn. dark air-cured	Mil. lb.	.3	.3	.1	*	.1	33
Black Fat	Mil. lb.	.4	.1	.1	.1	.1	100
Cigar wrapper	Mil. lb.	.6	.5	.2	.1	.2	40
Connecticut binder	Mil. lb.	*	.1	.1	*	*	---
Wisconsin binder	Mil. lb.	0	0	0	*	0	---
Accumulated from beginning of marketing year <u>8/</u>							
Flue-cured	Mil. lb.	158.4	196.8	75.1	137.9	203.2	103
Burley	Mil. lb.	53.4		51.2	54.9		103
Maryland	Mil. lb.	15.7		9.6	10.4		66
Virginia fire- & sun-cured	Mil. lb.	7.0		4.3	4.9		70
Ky.-Tenn. fire-cured	Mil. lb.	25.6		16.1	19.0		74
Ky.-Tenn. dark air-cured	Mil. lb.	1.4		1.5	1.5		107
Black Fat	Mil. lb.	3.0		1.1	1.2		40
Cigar wrapper	Mil. lb.	1.2	1.7	.3	.4	.7	41
Connecticut binder	Mil. lb.	2.2		.3	.4		18
Wisconsin binder	Mil. lb.	.4		.3	.4		100
Cigar filler	Mil. lb.	.6		.8	.9		150
Exports of manufactured tobacco in bulk	Mil. lb.	2.6	.8	3.3	.6	2.0	250
Accumulated from Jan. 1	Mil. lb.	16.3	17.0	13.2	13.8	15.8	93
Quarterly data							
		1968		1969			
		July-Sept.	Oct.-Dec.	July-Oct.	Oct.-Dec.		
Stocks of tobacco--1st of quarter <u>2/</u>							
Domestic types							
(farm-sales weight)							
Flue-cured	Mil. lb.	2,302	2,628	2,100		2,493	95
Burley	Mil. lb.	1,480	1,324	1,463		1,316	99
Maryland	Mil. lb.	197	92	84		75	82
Fire-cured	Mil. lb.	105	91	92		83	91
Dark air- and sun-cured	Mil. lb.	66	62	67		63	102
Cigar filler	Mil. lb.	173	156	158		142	91
Cigar binder	Mil. lb.	66	60	56		49	82
Cigar wrapper	Mil. lb.	23	27	21		26	96
Under Government loan <u>10/</u>	Mil. lb.	1,169	1,205	1,183		**1,153	96
Tobacco sheet <u>11/</u>							
Cigarette types	Mil. lb.	20.3	19.7	24.4		28.4	144
Cigar types	Mil. lb.	2.8	2.8	2.6		2.1	75
Foreign types (farm-sales weight)							
Cigarette and smoking	Mil. lb.	442	403	451		423	105
Cigar	Mil. lb.	98	91	93		96	105
Tobacco outlets <u>12/</u>							
Seasonally adjusted data, annual rates, for charts, p.2							
Cigarettes							
Production	Bil.	591	574	551		574	100
Taxable removals	Bil.	533	518	510		520	100
Cigar production	Bil.	7.97	7.22	7.89		7.84	109
Smoking production	Mil. lb.	64.9	65.1	61.5		65.6	101
Chewing production	Mil. lb.						
Scrap	Mil. lb.	37.0	35.7	39.9		37.2	104
Plug and other	Mil. lb.	30.0	28.6	31.2		30.3	106
Snuff production	Mil. lb.	26.9	26.5	26.2		26.2	99
Exports of leaf							
Total	Mil. lb.	763	594	630		640	108
Flue-cured	Mil. lb.	599	478	516		540	113

1/ 1968 and 1969 crops respectively. 2/ Prices paid by farmers including interest, taxes and wage rates. 3/ Seasonally adjusted. 4/ Seasonally adjusted, annual rate. 5/ Excise tax excluded. 6/ Federal and applicable state and local taxes included. 7/ Farm-sales weight equivalent. 8/ July 1 for flue-cured and cigar wrapper and October 1 for others. 9/ Holdings of manufacturers and dealers including grower cooperatives. 10/ Reported by grower cooperatives. 11/ Weight of tobacco leaf not including stems added. 12/ Data for most recent quarter are preliminary estimates. *Less than 50,000 pounds. **Of this quantity, approximately 110 million pounds had been sold. # Detail may not add due to rounding.

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